



Iowa Department of Revenue

Director: Courtney M. Kay-Decker
Hoover State Office Building
Des Moines, Iowa 50319
www.iowa.gov/tax

Today is Wednesday
June 26, 2013

ISAA President Bruce Hovden, Floyd County Assessor

RE: Iowa Administrative Code rule 701-71.3 (1)"c" interim adjustment procedures

Dear President Hovden:

This memo outlines the guidance from the department of revenue as to the procedure and formula the Assessors should use in considering adjustment applications until the rule is fully implemented. Assessors have indicated their concern with the ability to perform the adjustment, for taxpayers that have applied as required by rule, during the interim time period until a county has fully implemented the rule. The difficulty lies with the fact that until a county has fully implemented a land use layer defining cropland from non-cropland, there is no real ability to calculate an average cropland CSR rating as required in 701-71.3(1)"b". Additionally without the land use layer in place calculating actual non-cropland soil acres and their associated CSR points is problematic. As a result of this, the Department is requiring an alternative method of adjustment to be used during the interim period, until a county has fully implemented the rule, so as to be substantially in compliance with the rule, for those taxpayers applying for the adjustment in this interim period. These procedures are only applicable to the acres upon which a taxpayer applies as required under rule 71.3(1)"c" and are only considered to be substantially in compliance until such time as full implementation is completed as required.

During the interim period until full implementation is completed the adjustments shall be 40% of the 5 year average rent difference between non-irrigated cropland rent and pasture rent applied to all non-cropland acres upon which the taxpayer applies, as required under rule 71.3(1)"c". This recommendation recognizes that when the rule is fully implemented not all non-cropland CSR's will be adjusted and as such the adjustment is reduced from the entire amount applied to only high CSR's on non-cropland to 40% and applied to all non-cropland acres that are applied and approved in this interim period.

Sincerely,

Julie G Roisen, MA CAE

Property Tax Division Administrator, Iowa Department of Revenue

Cc: Director Courtney M. Kay-Decker