

## **Property Tax - Opinion - Mobile Home Reduced Tax Rate**

**To: Jim Moyle, Property Tax Division**

**From: Ed Henderson, Policy Section**

**Date: April 17, 2009**

**Subject: Mobile Home Reduced Tax Rate**

### **STATUTES AND RULES:**

Iowa Code sections 425.26(8) and 435.22 and rules 73.23 and 74.8(1), Iowa Administrative Code.

### **FACTS:**

A county treasurer has inquired whether a claimant for the mobile home reduced tax rate contained in Code section 435.22 is eligible to receive the reduced tax rate if delinquent taxes are owing on the property.

### **ISSUE:**

Do delinquent taxes affect the right of a claimant to receive the mobile home reduced tax rate?

### **DETERMINATION:**

Rule 74.8(1) states that current year taxes may be paid at any time regardless of any prior year delinquent taxes. The mobile home reduced tax rate is a reduction in current year taxes. The county treasurer reduces the claimant's tax liability by the amount of the computed credit. Therefore, the claimant is eligible to receive the reduced tax rate regardless of any prior year delinquent taxes.

Somewhat in support of this position is the fact that the reduced tax rate for mobile homes is patterned to a large extent after the property tax credit contained in chapter 425. Rule 73.23 provides that a property tax credit shall be allowed to an eligible claimant even though the claimant's taxes for a previous year are delinquent. Prior to 1994, it was a requirement under section 425.26(8) that the claimant not have any delinquent taxes owing on the homestead to qualify for the property tax credit. In 1994, legislation was enacted to remove this requirement (SF 2057—Chapter 1165). It would seem logical to apply the same principle to the reduced tax rate.