

Property Tax - Opinion - Tanks at Industrial Sites

From: Hyman, Dale [IDR]

Sent: Tuesday, May 01, 2007 8:50 AM

To: Iowa Assessors

Dear Assessors:

We are developing an opinion letter on the assessment of tanks at industrial sites such as ethanol and biofuel plants. Recently the department has maintained that the in-process tanks are machinery and should not be assessed. Primary support for listing the tanks as equipment has been from the Industrial Machinery and Equipment Guide, Department of Revenue, 1984, pg 1-15. Attached is a [rule that stating assessors shall give consideration to that guide in making M&E determinations](#). In support of assessing tanks as real estate is an [October 1, 1985 Mix Cox opinion](#) to Brian Bruner, that is also attached. In addition a [use tax rule](#) (attached) would seem to support assessing some of the tanks as real estate.

It is our intention to issue an opinion letter after gathering the facts and considering stake holder's opinions. Would you please respond to the following questions if you have ethanol or biofuel plant(s) in your jurisdiction.

1. How many ethanol and biofuel plants do you have in your jurisdiction?
2. What year was the plant(s) built?
3. Are the in-process tanks assessed?
4. Are the tanks used to store raw materials assessed?
5. Are the tanks used to store finished product(s) assessed?
6. Are the propane and ammonia pressure tanks assessed?

In addition we would appreciate hearing opinions on the subject. Our goal is to issue a letter next week and to post it on our web site as a policy guideline. Thank you for your assistance.

The 2007 legislature did not enact much property tax legislation. Ed Henderson is working on a summary of what was passed.

Sincerely,

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