



Application for Historic Property Rehabilitation Tax Exemption

Iowa Code Section 427.16

427.16 Historic property — rehabilitation tax exemption — application.

1. The board of supervisors shall annually designate real property in the county for a historic property tax exemption.
2. Application for the exemption shall be filed with the assessor, not later than February 1 of the assessment year, on forms provided by the department of revenue. The exemption application shall include an approved application for certified substantial rehabilitation from the state historic preservation officer and documentation of additional property tax relief or financial assistance currently allowed for the real property. Upon receipt of the application, the assessor shall certify whether or not the property is eligible to receive the exemption and shall forward the application to the board.
3. Before the board may designate real property for the exemption, the board shall establish priorities for which an exemption may be granted. The priorities shall be based upon financial assistance or property tax relief the owner is receiving for the property or for which the property is eligible. A public hearing shall be held with notice given as provided in [section 73A.2](#) at which the proposed priority list shall be presented. However, a public hearing is not required if the proposed priorities are the same as those established for the previous year. After the public hearing, the board shall adopt by resolution the proposed priority list or another priority list.
4. After receipt from the assessor of an exemption application with an accompanying approved application from the state historic preservation officer, and the establishment of a priority list, the board shall grant a tax exemption under [this section](#) using the adopted priority list. The board shall notify an owner in writing of a denial of the exemption under [this section](#) and an explanation of the denial.
5. Real property designated for the tax exemption shall be designated by April 15 of the assessment year in which the fiscal year begins for which the exemption is granted. Notification shall be sent to the county auditor and the applicant.
6. The owner shall apply for an exemption and the exemption may be approved for a period of not more than four years.
7. For purposes of [this section](#) “historic property” means any of the following:
 - a. Property in Iowa listed on the national register of historic places.
 - b. An historical site as defined in [section 303.2](#).
 - c. Property located in an area of historical significance as defined in [section 303.20](#).
 - d. Property located in an area designated as an area of historic significance under [section 303.34](#).
 - e. Property designated an historic building or site as approved by a county or municipal landmark ordinance.
8. For purposes of [this section](#), “substantial rehabilitation” means qualified expenditures which exceed the greater of the adjusted basis of the building or five thousand dollars.
9. For purposes of [this section](#), “adjusted basis” means the acquisition cost of the property to the taxpayer; less the value of the land; less depreciation taken or one-half the current assessed valuation of the property, whichever is greater; plus the cost of additions or improvements to the property since its acquisition.
10. For purposes of [this section](#), “qualified expenditures” means costs incurred to preserve or to maintain a building as a historic property according to the secretary of the interior’s standards for rehabilitation and guidelines for rehabilitating historic buildings.
11. The assessor shall determine the base year valuation of the historic property upon receipt of the approved application and shall make a notation on each statement of assessment that the exemption of the historic property shall be based upon the certification from the state historic preservation officer. An assessor shall make an annual report to the county auditor of all substantial rehabilitations of historic property made in the county which receive a tax exemption under [this section](#) and shall submit a copy or summary of the record to the state historic preservation officer.
12. A tax exemption granted under [this section](#) is valid if the property continues to be certified by the state historic preservation officer. If the property is sold or transferred, the buyer or transferee is not required to refile for the tax exemption for the year in which the property is purchased or transferred.
13. The valuation for purposes of computing the assessed valuation of property under [this section](#) following the four-year exemption period is as follows:
 - a. For the first year after the expiration of the four-year exemption period, the valuation is the base year valuation plus twenty-five percent of the adjustment in value.
 - b. For the second year after the expiration of the four-year exemption period, the valuation is the base year valuation plus fifty percent of the adjustment in value.
 - c. For the third year after the expiration of the four-year exemption period, the valuation is the base year valuation plus seventy-five percent of the adjustment in value.
 - d. For the fourth year after the expiration of the four-year exemption period, the valuation is based upon the current fair cash value.
14. An additional application for a tax exemption under [this section](#) for substantial rehabilitation shall not affect [subsection 11](#) and under [subsection 13](#) the increase in assessed value of the historic property following a four-year tax exemption period.
15. The department of cultural affairs shall adopt rules pursuant to [chapter 17A](#) to administer [this section](#).