

## Business Property Tax Credit

### BPTC

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The Business Property Tax Credit "BPTC" is a major Component of the State of Iowa's Property tax relief passed a few years ago.

The Business Property Tax Credit is a credit against taxes based on valuation for commercial, industrial, and railroad classed property units. It will be deducted from the property taxes owed and shown on the property tax statement. The current deadline is July 1, for tax bills which will be received in the summer of 2017. An application must be filed with the Assessor's office to receive this credit. Applications are available at the Assessor's office, the County web site, and the Iowa Department of Revenue web site.

A person may claim and receive one credit for each eligible parcel unless the parcel is a part of a property unit for which a credit is claimed. Property unit is defined in the law as "contiguous parcels all of which are located within the same county, with the same property tax classification, are owned by the same person, and operated by that person for a common use and purpose." Contiguous parcels are also defined as "a – parcels that share a common boundary, b – parcels within the same building regardless whether the parcels share a common boundary, and c – permanent improvements to the land that are situated on one or more parcels of land that are assessed and taxed separately from the permanent improvements if the parcels of land upon which the permanent improvements are situated share a common boundary." Eligible parcels, or property units, must be classified and taxed as commercial, industrial, or railroad property to qualify for the credit.

Once a claim has been filed and the credit allowed, there will be no need to re-file the claim as long the property continues to qualify for the credit. If the property ceases to qualify, the owner is required to provide written notice to the Assessor by July 1. If a property or a portion of the property changes ownership, the new owner must file a new application. If the previous owner keeps a portion of the property, he must also file a new application. This is one of the more problematic aspects of the credit. Simple name changes through death of a spouse or divorce can trigger the need to reapply. It is an owner's responsibility to keep this current. The calculations for this credit is somewhat drawn-out but it is enough to say that on the last tax statements some credits reached \$2500. Well worth ones time!