

Marion County Assessor Office

I signed up for Homestead and/or Military credit last year. Why isn't it on my taxes? Do I need to sign again?

It will depend on when you signed the application. Applications must be signed on or before July 1st of the assessment year that you are first claiming the credit. If it is signed after July 1st, the credit is applied to the next assessment year.

Please remember that property taxes due are 18 months behind the current assessment year. Example, the current property taxes payable in September 2007 and March 2008 are calculated on the 2006 assessment year and values. If you signed up after July 1, 2006, but on or before July 1, 2007, your credit will be applied to the 2007 assessments on which the taxes will be calculated for the September 2008 and March 2009 payments. If you signed up after July 1, 2007, your credit will be applied to the 2008 assessments, which will be used to for the September 2009 and March 2010 property taxes.

Homestead and military credits were at one time applied for every year. In the mid 1980's, this was changed to a one-time sign up. However, you do still have to sign up if you move to another house, even if it is next door or across the street.

What are the Elderly and Disabled Tax Credit? How do I apply?

This tax credit is an additional Homestead Credit. Eligibility requirements include: must be 65 or older, or totally disabled, and meet the household income requirements. You should contact the County Treasurer to find out the income requirements as they change each year.

Applications and more information are available in the County Treasurer's Office. Applications must be filed by June 1st with the County Treasurer's Office. This credit application must be filed every year.

What is Rent Reimbursement?

This is similar to the Elderly and Disabled Credit, except this is for people who rent their home. Eligibility requirements are the same: must be 65 or older, or totally disabled, and meet the current household income requirements.

To access the current Rent Reimbursement instructions and requirements, blank reimbursement forms, and reimbursement forms that can be filled out online, please click on the following link <http://www.state.ia.us/tax/forms/prop.html> that takes you to the Iowa Department of Revenue and Finance Property Tax Forms page.

These applications are also available in the County Assessor's Office after January 1st of a given year. The application must then be sent to the Iowa Department of Revenue by June 1st by the claimant. This must be applied for every year.

I own and farm 500 acres. Isn't there something I need to sign up for now?

You are probably thinking of the Family Farm Tax Credit. This was required to be signed up every year by October 15th until 2001. If you signed up in 2001 or after, you do not have to sign again. However, if you have acquired more agricultural land after you last signed up, you will need to sign an application for the newly acquired land. Applications can be filed anytime. However, those filed after November 1st will be applied to the next year.

I signed up for Forest Reserve. Do I have sign every year?

No, this is a one-time sign up and need not be applied for again.

What is Forest Reserve exemption?

The forest reserve exemption was enacted by the legislature to promote the need to keep timber areas in the state. To be eligible, the property must be at least 2 acres and contain at least 200 growing trees per acre. If any buildings are within the area claimed for exemption, one acre for the building site will remain taxable.

Livestock is not allowed on the property. This includes cattle, horses, mules, sheep, goats, or hogs. The property would not qualify, or would cease to receive the benefit of the exemption. It may also be subject to a recapture tax.

There can be no economic gain on the property claimed for exemption other than raising trees. Up to one fifth of the trees may be removed as long as the total trees per acre does not go below the required 200, or enough trees are re-planted to stay above this. The receipt of compensation from the federal government is not acceptable economic gain for forest reserve exempted property. The property would not be eligible or would cease to receive the exemption if other economic gain is being received. It may also be subject to recapture tax.

If a property ceases to be eligible, it shall be assessed for taxation and subject to the recapture tax. The property shall be subject to taxation for the current year. In addition, the property is subject to taxation for each of the five preceding calendar years for which it was exempted. However, if the same person, or their direct descendents or antecedents, have owned the property exempted for at least 10 years, it shall not be subject to recapture tax.

A problem might occur when a property is for sale that has some forest reserve exempted ground, which would cause the buyer to pay the recapture tax. If the buyer is unaware that some of the ground is in exemption, they might decide to clear the trees. If they do, the exemption would cease and they would be responsible for the recapture tax. Our office suggests, if the buyer is unsure if they want to keep the forest reserve exemption or not aware of the exemption, that the seller sign a statement requesting that the exemption be removed. The new owner can sign a new application if they wish it to remain in the forest reserve exemption.

My house is in the country and I have 7 acres. Why aren't I classed as agricultural?

Iowa legislators have enacted statutes that determine how a property is classed and assessed. Current statutes state that a property is to be classed according to its current and primary use. A property's location or zoning does not determine classification for assessment.

A house on x number of acres with the primary use of the property is to live there, will be classed as residential. This would include properties with an out building, which might have a horse or two, or a couple of cows, or mow a couple acres to sell hay bales. These uses would be incidental to the primary use of the property as a residence.

This would differ from a house on 40 acres with 30 acres of cropland and 200 hogs. Even though the house is their primary residence, the primary use of the overall property is agricultural.

My building that I use as a repair shop is in a residential area and zoned as residential. Why is it classed as commercial?

A building being used as a business will be classed as commercial, even though it may be in a residential area or zoned residential. Again, it depends on the primary use of the property.

If a property has a building being used as a repair shop business, and there isn't a house, this will be classed as commercial. However, if they discontinue the business and use the property for personal storage or use, then it could be re-classed as residential.

A house would be classed as commercial if used primarily for business purposes, or has 3 or more apartments. However, if someone is using a room or two in the house for a business, i.e. beauty shop, insurance office, etc., and lives the rest of the house, this would be classed as residential.

The only time location and zoning may help determine classification is when there is a vacant lot, which isn't owned by an adjoining or adjacent building owner.