

REPEAL OF STATE BOARD OF TAX REVIEW

Prior Law

The State Board of Tax Review (“State Board”) consisted of three appointed members who each served a six-year term. The State Board could review actions taken by the Director of Revenue on its own motion or on appeal by any affected taxpayer. The State Board’s decisions were subject to judicial review under the Iowa Administrative Procedure Act (Iowa Code chapter 17A). Either the taxpayer or the Director could appeal a decision of the State Board to District Court. The State Board was the court of original jurisdiction on the following decisions made by the Director:

- The disallowance of a claim for the Homestead Tax Credit under Iowa Code chapter 425;
- The denial or recalculation of a Rent Reimbursement claim or claim for the Elderly and Disabled Property Tax Credit under Iowa Code chapter 425;
- The disallowance of the Military Service Tax Credit under Iowa Code chapter 426A;
- The denial or recalculation of the Business Property Tax Credit under Iowa Code chapter 426C;
- Central assessments under Iowa Code chapters 428, 433, 434, 437, and 438. The State Board considered evidence from both the taxpayer and the Department;
- Determination of noncompliance of the conference board with the plan of action for the assessor to comply with the rules of the Department relating to valuation of property or the Real Property Appraisal Manual; and
- Issuance of final equalization orders to cities or counties.

New Provisions

Section 1 of the Act extends the sunset provision for the Property Assessment Appeal Board (PAAB) from July 1, 2018, to July 1, 2021.

Section 2 of the Act repeals the State Board of Tax Review effective upon the earlier of:

- (1) The final disposition by the State Board of all cases pending before it on the effective date of the Act;
- (2) or July 1, 2016.

Under section 1 of the Act, effective May 22, 2015 the State Board may not accept any new appeals.

Sections 3 through 74 of the Act insert the Director of Revenue in place of the State Board in the areas where the State Board was the court of original jurisdiction. These sections also insert the Department of Revenue in place of the Director of Revenue in order to avoid the conflict of interest that would result from the Director hearing an appeal of his or her own

decision. Unless otherwise noted below, the Director must grant a hearing within 30 days of the decision that is being appealed. The Director's decisions in these instances are subject to judicial review under Iowa Code chapter 17A.

The areas where the Director will now hear appeals in place of the State Board are:

- The disallowance of a claim for the Homestead Tax Credit under Iowa Code chapter 425. (Section 7);
- The denial or recalculation of a Rent Reimbursement claim or claim for the Elderly and Disabled Property Tax Credit under Iowa Code chapter 425. (Section 11);
- The disallowance of the Military Service Tax Credit under Iowa Code chapter 426A. (Section 14);
- The denial or recalculation of the Business Property Tax Credit under Iowa Code chapter 426C. (Section 15);
- Central assessments under Iowa Code chapters 428, 433, 434, 437, and 438. The Director shall grant a hearing within one year of the taxpayer's request for hearing and will only consider evidence presented by the taxpayer. (Sections 20-21);
- A determination of noncompliance of the conference board with the plan of action for the assessor to comply with the rules of the Department relating to valuation of property or the Real Property Appraisal Manual. The conference board may also seek judicial review of the Director's decision from the initial hearing on assessor compliance. (Section 64); and
- Issuance of final equalization orders to cities or counties. Appeals on final equalization orders to the Director are now subject to the provisions of the Iowa Administrative Procedures Act under Iowa Code chapter 17A that establish the procedure for informal settlement and contested cases. (Sections 5 & 74)

Sections Amended

Section 1 of 2015 Iowa Acts House File 626 amends 2005 Iowa Acts, chapter 150, section 134, as amended by 2013 Iowa Acts, chapter 123, section 62.

Sections 2 through 74 of House File 626 amend 2015 Iowa Code sections 421.1, 68B.35, 421.17, 421.60, 425.7, 425.17-18, 425.26-27, 425.29, 425.31, 426A.6, 426C.7-8, 428.28-29, 429.1-3, 433.1-5, 433.7-9, 434.2, 434.12, 434.14-17, 434.22, 437.2, 437.4-10, 437.12, 438.3-9, 438.11-15, 440.2, 440.5-7, 441.17, 441.21, 441.24, 441.47-49.

Effective Date

The amendments to Iowa Code sections 68B.35 and 421.60 are effective July 1, 2016. The remainder of the Act is effective May 22, 2015