

Property Tax Bill Comparison provided by the Iowa Chamber Alliance

	Governor – SSB3034 / HSB563	Senate – SF2472	House – HF2745 H-8374
Revenue Growth Cap	Cap all local government revenue growth at 2%, but excluding new valuation connected to new construction, debt service, and school funding.	A limitation on property tax growth through a budget adjustment factor attached to CPI and language for new valuation to include a budget limitation outlet for new construction. Removal of levy combined impacts from 2023 reforms. The limits are: <ul style="list-style-type: none"> • CPI increase under 4% → 102% allowed growth • CPI 4% to under 6% → 103% • CPI 6% to under 8% → 104% • CPI 8% or more → 105% 	Cap all local government revenue growth at 2%, but excluding new valuation connected to new construction, debt service, and school funding.
Rollback Changes and Assessment Limitations	Former Business Tax Credit that transitioned to an exemption increased from \$150K to \$250K.	<ul style="list-style-type: none"> • Residential – Set at 65% with applicable exemptions below. • Multi-residential – Set at 80%. • Commercial & Industrial – Moves from 90% to 100%. 	Former Business Tax Credit that transitioned to an exemption increased from \$150K to \$350K.
Homestead Exemption	Elimination of homestead credit and creates exemption. <ul style="list-style-type: none"> • A standard homestead exemption of up to \$4,850 of taxable value. New Homestead Property Tax Growth Credit and Rent Reimbursement. <ul style="list-style-type: none"> • The credit applies only to homestead property. • The credit is available in addition to the \$4,850 homestead exemption created earlier in the bill. • Eligibility for the credit is limited to homesteads with an actual value of \$350,000 or less. • The \$350,000 threshold is based on actual value, not taxable value. • Homesteads with an actual value above \$350,000 remain eligible for the 	<ul style="list-style-type: none"> • Homestead exemption limited to single property. • New initial 5% homestead exemption not less than \$4,850 and not to exceed \$35,000. • After Jan 1, 2027, 15% homestead exemption not less than \$4,850 but not to exceed \$350,000. 	New residential property tax exemption in 427.1 of 10% or up to \$25,000 but not applicable to taxes imposed by school districts.

	homestead exemption, but do not receive the growth credit.		
New Valuation	<p>1) New construction.</p> <p>(2) Additions or improvements to existing structures that are not normal and necessary repairs under section 441.21, subsection 8.</p> <p>(3) Net boundary adjustments, including annexation, severance, incorporation, consolidation, or discontinuance as those terms are defined in section 368.1.</p>	<p>1) New construction.</p> <p>(2) Additions or improvements to existing structures that are not normal and necessary repairs under section 441.21, subsection 8.</p> <p>(3) Net boundary adjustments, including annexation, severance, incorporation, consolidation, or discontinuance as those terms are defined in section 368.1.</p>	<p>1) New construction.</p> <p>(2) Additions or improvements to existing structures that are not normal and necessary repairs under section 441.21, subsection 8.</p> <p>(3) Net boundary adjustments, including annexation, severance, incorporation, consolidation, or discontinuance as those terms are defined in section 368.1.</p> <p>(4) Valuation exempt from property tax for the current fiscal year as the result of prior new construction, additions, or improvements under section 15.332, Code 2025, section 15.500, chapter 404, or chapter 427B, subchapter I, but which is not exempt from property tax in the budget year.</p>
TIF Reform	<ul style="list-style-type: none"> • Significant policy changes including limitation of uses to public purposes. • Prohibition of future usage of TIF districts without sunsets. • All future TIF districts are limited to 20 years. • Properties impacted by urban renewal and urban revitalization are prohibited from utilization of school levies. 	<ul style="list-style-type: none"> • Prohibition of future usage of TIF districts without sunsets. • All future TIF districts are limited to 20 years. • Properties impacted by urban renewal and urban revitalization are prohibited from utilization of \$5.40 and EMS levies. Voluntary opt-in for \$5.40 by schools. • Restriction on TIF usage on wind energy conversion property. • Restriction on TIF usage for relocation of substantial operations. • Restriction on TIF usage for city staff and eco devo orgs. 	<ul style="list-style-type: none"> • Inclusion of “housing” as economic development and merge definitions with workforce housing tax credit program. • Exclusion of \$5.40 school aid levy and EMS levies moving forward with January 1, 2027 implementation date. • Allowance for voluntary usage of \$5.40 with school approval. • Revenue usage limitation for TIF districts without sunsets to 60% but not impacting existing debt. • Cap all new TIF districts at 23 years. • Complete removal of LMI requirements.
Assessment Reform	<ul style="list-style-type: none"> • Move assessments from every 2 years to 3 years • Shift the burden of proof from the taxpayer to the assessor when assessment increases are above 15%. • Property Assessment Task Force created. 	<ul style="list-style-type: none"> • Restriction on assessor office budget growth. 	Shift the burden of proof from the taxpayer to the assessor when assessment increases are above 10% with requirements for method used to determine to be provided.
Property Parcel Information	Annual Report to DOM	Annual Report to DOM	Annual Report to DOM

Seniors	Create a property tax freeze for Iowans ages 65 and older with homes valued at \$350,000 or less.	Unencumbered Homestead Exemption for 65+ with no mortgage applies to homestead itself, excludes appurtenances limited to ½ acre. Phase-in schedule but not to exceed \$350K <ul style="list-style-type: none"> • 65-70: 60% exemption • 70-80: 70% exemption • 80-90: 80% exemption • 90-100: 90% exemption • 100+: 100% exemption 	
Bonding for General Ops	Prohibition on bonding for general operations.	Prohibition on bonding for general operations.	Prohibition on bonding for general operations.
Military Benefits	Certain veterans and surviving spouses receive a 100% exemption under existing statutes.	<ul style="list-style-type: none"> • Disabled Vet Homestead Credit will exclude appurtenances and limits homestead to ½ acre. • Military Property Tax Exemption lesser of 2% of taxable value or \$14,000 but not less than \$5,000. 	<ul style="list-style-type: none"> • Disabled Vet Homestead Credit will exclude appurtenances and limits homestead to ½ acre.
Utility Replacement Task Force		Review of accuracy of the taxes imposed by the utility replacement tax.	
Limit on Reserves	Limit the amount of general fund reserves to 10% of budgeted expenditures.		Reserves recommendations established by GASB equal to 35% or less.
School Funding	Transfer of SAVE revenue for property tax relief.	<ul style="list-style-type: none"> • Shifting from local to state funding for the regular education foundation cost per pupil and special education foundation cost. • State buy-down of the school foundation levy from \$5.40 to \$4.48662. 	<ul style="list-style-type: none"> • Extension of SAVE and transfer of SAVE revenue for property tax relief. • State buy-down of the school foundation levy from \$5.40 to \$4.90.
First Time Homebuyers	Establish a Firsthome Iowa Accounts Program similar to a 529 account.	Establish a Firsthome Iowa Accounts Program similar to a 529 account.	Establish a Firsthome Iowa Accounts Program similar to a 529 account.
County Appointments	Appointment versus Election for County Auditor, Treasurer and Recorders		
County Service Efficiency	Create a new \$10 million grant fund to assist and incentivize local governments to consolidate and share services.		Create a new \$10 million grant fund to assist and incentivize local governments to consolidate and share services.
Multi-Residential		Multi-Residential returns as a classification with new rollback set at 80%.	

Agricultural Buildings		New agricultural buildings removed from productivity valuation system.	
Local Option Sales Tax		Allowing local governments to increase local option sales tax from 1 cent to 1.5 cents.	
Regional Transit		Reduction of the regional transit district levy.	
Gas Tax		Gas tax indexed to CPI with annual adjustment.	
Datacenter Incentives		Removal of school foundation levy from TIF deals for on datacenters.	
Mailing of Equalization Notices		Allowed to be posted to web or social media.	
Elderly and Disabled Prop Tax Credit and Rent Reimburse		Increase of existing credit from \$1K to \$1.5K	
Valuations – Abnormal Transactions		Distortion of market value including built-to-suit sales, sale-leaseback sales, leased fee sales and sales between related parties	Distortion of market value including built-to-suit sales, sale-leaseback sales, leased fee sales, and the abnormal transactions.
School Unspent Balances		Process for some unspent balances to return to the state.	Budget reserves limitations.
Interim Committees		<ul style="list-style-type: none"> • Urban Renewal Task Force • Property Tax Deferral Task Force • Payments in Lieu of Property Task Force Report 	
Property Tax Information Disclosure			<ul style="list-style-type: none"> • Additional reporting for certifying boards that are not political subdivisions and identified under a designation of special taxing districts. • New clear and concise reporting requirement.
Bonding			<ul style="list-style-type: none"> • Allow bond elections at two different times per year. • Disallow same bond on two consecutive elections.
EMS Levy			<ul style="list-style-type: none"> • Increase EMS levy from 75 cents to \$1.50.