

House _____ Amendment NO. _____

Offered By

1 AMEND House Committee Substitute for House Bill No. 1427, Page 1, Section A, Line 3, by
2 inserting after all of said section and line the following:

3
4 "137.122. 1. As used in this section, the following terms mean:

5 (1) "Business personal property", tangible personal property which is used in a trade or
6 business or used for production of income and which has a determinable life of longer than one year
7 except that supplies used by a business shall also be considered business personal property, but shall
8 not include livestock, farm machinery, grain and other agricultural crops in an unmanufactured
9 condition, property subject to the motor vehicle registration provisions of chapter 301, property
10 assessed under section 137.078, the property of rural electric cooperatives under chapter 394, or
11 property assessed by the state tax commission under chapters 151, 153, and 155, section 137.022,
12 and sections 137.1000 to 137.1030;

13 (2) "Class life", the class life of property as set out in the federal Modified Accelerated Cost
14 Recovery System life tables or their successors under the Internal Revenue Code as amended;

15 (3) "Economic or functional obsolescence", a loss in value of personal property above and
16 beyond physical deterioration and age of the property. Such loss may be the result of economic or
17 functional obsolescence or both;

18 (4) "Original cost", the price the current owner, the taxpayer, paid for the item without
19 freight, installation, or sales or use tax. In the case of acquisition of items of personal property as
20 part of an acquisition of an entity, the original cost shall be the historical cost of those assets
21 remaining in place and in use and the placed-in-service date shall be the date of acquisition by the
22 entity being acquired;

23 (5) "Placed in service", property is placed in service when it is ready and available for a
24 specific use, whether in a business activity, an income-producing activity, a tax-exempt activity, or a
25 personal activity. Even if the property is not being used, the property is in service when it is ready
26 and available for its specific use;

27 (6) "Recovery period", the period over which the original cost of depreciable tangible
28 personal property shall be depreciated for property tax purposes and shall be the same as the
29 recovery period allowed for such property under the Internal Revenue Code.

Action Taken _____ Date _____

1 2. To establish uniformity in the assessment of depreciable tangible personal property, each
2 assessor shall use the standardized schedule of depreciation in this section to determine the assessed
3 valuation of depreciable tangible personal property for the purpose of estimating the value of such
4 property subject to taxation under this chapter.

5 3. For purposes of this section, and to estimate the value of depreciable tangible personal
6 property for mass appraisal purposes, each assessor shall value depreciable tangible personal
7 property by applying the class life and recovery period to the original cost of the property according
8 to the following depreciation schedule. The percentage shown for the first year shall be the
9 percentage of the original cost used for January first of the year following the year of acquisition of
10 the property, and the percentage shown for each succeeding year shall be the percentage of the
11 original cost used for January first of the respective succeeding year as follows:

Year	Recovery Period in Years					
	3	5	7	10	15	20
1	75.00	85.00	89.29	92.50	95.00	96.25
2	37.50	59.50	70.16	78.62	85.50	89.03
3	12.50	41.65	55.13	66.83	76.95	82.35
4	5.00	24.99	42.88	56.81	69.25	76.18
5		10.00	30.63	48.07	62.32	70.46
6			18.38	39.33	56.09	65.18
7			10.00	30.59	50.19	60.29
8				21.85	44.29	55.77
9				15.00	38.38	51.31
10					32.48	46.85
11					26.57	42.38
12					20.67	37.92
13					15.00	33.46
14						29.00
15						24.54
16						20.08
17						20.00

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2 Depreciable tangible personal property in all recovery periods shall continue in subsequent years to
3 have the depreciation factor last listed in the appropriate column so long as it is owned or held by
4 the taxpayer. The state tax commission shall study and analyze the values established by this
5 method of assessment and in every odd-numbered year make recommendations to the joint
6 committee on tax policy pertaining to any changes in this methodology, if any, that are warranted.

7 4. Such estimate of value determined under this section shall be presumed to be correct for
8 the purpose of determining the true value in money of the depreciable tangible personal property,
9 but such estimation may be disproved by a taxpayer by substantial and persuasive evidence of the
10 true value in money under any method determined by the state tax commission to be correct,
11 including, but not limited to, an appraisal of the tangible personal property specifically utilizing
12 generally accepted appraisal techniques, and contained in a narrative appraisal report in accordance
13 with the Uniform Standards of Professional Appraisal Practice or by proof of economic or
14 functional obsolescence or evidence of excessive physical deterioration. For purposes of appeal of
15 the provisions of this section, the salvage or scrap value of depreciable tangible personal property
16 may only be considered if the property is not in use as of the assessment date.

17 5. This section shall not apply to business personal property placed in service before January
18 2, 2006. Nothing in this section shall create a presumption as to the proper method of determining
19 the assessed valuation of business personal property placed in service before January 2, 2006.

20 6. The provisions of this section are not intended to modify the definition of tangible
21 personal property as defined in section 137.010.

22 7. (1) Beginning January 1, 2025, this section shall apply to all real property, placed in
23 service at any time, that is stationary property used for transportation or storage of liquid and
24 gaseous products, including water, sewage, and natural gas that is not propane or LP gas, but not
25 including petroleum products.

26 (2) To estimate the value of the real property described in this subsection, each assessor
27 shall value such property by applying a twenty-year recovery period to the original cost of the
28 property according to the twenty-year depreciation schedule set forth in subsection 3 of this section.
29 Notwithstanding subsection 5 of this section, the presumption as to the proper method of
30 determining the assessed value of such property shall apply regardless of when such property was
31 placed in service.

32 (3) Each taxpayer owning real property described in this subsection shall provide to an
33 assessor, on or before May first of the applicable tax year, the original cost and year placed in
34 service of such property summarized in a format that is substantially similar to the real property
35 reporting and valuation forms contained in section 7.4 of the state tax commission assessor manual
36 (revision date March 23, 2016), or any other revision adopted by the state tax commission thereafter.
37 Such information shall be provided for each taxing district within the assessor's jurisdiction. If
38 requested by the taxpayer, the assessor shall provide to the taxpayer geographic information system
39 maps in readable layers on which a taxpayer may provide the information in this subsection. The
40 taxpayer shall certify under penalty of perjury that the information provided to the assessor pursuant
41 to this subsection is accurate to the best of his or her knowledge. All information provided to an

1 assessor pursuant to this subsection shall be considered proprietary information and shall be
2 accessible only to the assessor and the assessor's staff for internal use only."; and
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4 Further amend said bill by amending the title, enacting clause, and intersectional references
5 accordingly.