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IOWA ASSESSORS MANUAL

This Manual Is Prepared by the Iowa State
Board of Assessment and Review
Pursuant to Its Policy of
Improving Assess-
ments in Iowa



Issued by the Iowa State Board of
Assessment and Review

Des Moines Building
Des Moines, Iowa
1937

BOARD MEMBERS

LOUIS E. RODDEWIG, Chairman
D. L. MURROW, Vice Chairman
C. F. GREEN, Member



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PREFACE

This manual has been prepared for the benefit of assessment officials and taxpayers of the state of Iowa. Its purpose is to make the task of property assessment easier by giving a clear explanation of the duties of the assessing officials, and the laws, with attorney general opinions and supreme court decisions, which govern assessments. It may be that some of the present tax laws need revising in order to be applicable to present day conditions, but it is the duty of the assessor as well as the State Board of Assessment and Review to carry out the provisions of the laws as they appear on the statute books.

The Board is required to supervise the work of the local assessment officers. This duty it attempts to perform by helpful cooperation. It maintains a field force who are always willing to assist the assessor in solving his problems. A chapter of this manual is devoted to questions and answers which cover many of the problems confronting the assessor. The Board welcomes additional questions and will always be ready to clarify any points which the assessor may find troublesome. He is urged to write to the Board for further information.

The work of the assessor is the most important in the county. The government depends upon his work for funds with which to carry on; the taxpayers are dependent upon him for dividing equitably the tax burden among them.

This manual was not written because it is believed that assessments can be made perfect but because they can be made better. It was designed for use and not for a dusty shelf or the waste basket.

It is to be remembered that the assessors and this Board are working towards the same end, a complete, uniform, and equitable assessment.

STATE BOARD OF ASSESSMENT AND REVIEW,
L. E. RODDEWIG, Chairman,
D. L. MURROW, Vice Chairman,
C. F. GREEN, Member.

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State Board of Assessment and Review

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CHAPTER I

THE JOB OF ASSESSOR

The Iowa law authorizes and empowers the State Board of Assessment and Review to have general supervision over the administration of the assessment laws, to confer with, advise and assist assessors, to prescribe general rules and regulations for local assessment officers relative to the assessment of property for taxation. This Assessors Manual is prepared as part of the Board's program of fulfilling the above duties. The Board's intention is to keep every local assessor informed of the most recent procedures and developments in the law and practice of assessing property.

Assessor an Important Official

The assessor has well been called the backbone of the local taxing administration in Iowa. His is the important duty of determining the share of the total local tax bill that shall be paid by each taxpayer. Since there is a certain amount of money independently determined as necessary to run the county, school districts, townships, and other local governments, the assessor cannot ordinarily diminish this amount by his assessment. But he does always determine what Smith's share of the total burden shall be, what Jones' share shall be, and what Brown's share shall be. To the extent that he does not assess, or assesses inadequately the property of Smith, the share of the burden shifted upon Jones and Brown must be larger. This is made clear if it is borne in mind that the amount of money to be raised is determined independently of Smith's, Jones', and Brown's assessments. The essential necessity of honest judgment and impartiality are nowhere more important than in assessments.

Knowledge of the Law Essential

The state legislature has passed certain laws that must govern assessments. Every assessor in his oath of office has sworn to uphold these laws. No assessor can administer his office with satisfaction to himself or his constituents without a working knowledge of the "rules of the game." Without such knowledge he may be easily misled by tax evaders who seek to be relieved of their share of the support of government and to shift it to the shoulders of other members of the community. Furthermore, taxpayers look to the assessor for correct and authoritative interpretation of the statutes. The uninformed assessor cannot expect to have their confidence and respect.

Actual Value

The law requires "that all property subject to taxation shall be assessed at its actual value which shall be entered opposite each item. The terms 'actual value,' 'assessed value,' and 'taxable value' shall hereafter be construed as referring to 'actual value.'" The law further requires "that in arriving at said actual value the assessor is to take into consideration its productive and earning capacity, if any, past, present, and prospective, its market value, if any, and all other matters that affect the actual value of the property; and the burden of proof shall be on any complainant attacking such valuation as excessive, inadequate, or inequitable."

It is sometimes asserted by those who seek to evade the law that "actual value" means the price property would bring at the junk yard, pawn shop, or the sheriff's sale. Nothing could be further from the truth. Both the Iowa supreme court and United States supreme court have often declared that property shall be valued at the price it would bring in its highest and most productive use. The assessor must get the methods prescribed firmly fixed in his mind so that when he goes to assess a property his first thought will be to get the "actual value" by taking into consideration its productive and earning capacity, if any, past, present, and prospective, its market value, if any, and all other matters that affect the actual value of the property as is required by the law.

If the property is a home occupied by its owner he can compare it with similar properties that are rented, and in that way determine its income. Market value for assessment purposes should not be established by the present market value, but should be considered over a period of years, and the average should be taken as the market value to be considered as one of the items in fixing the value of the property for assessment purposes. There is another factor that is used in this state, and that is reproduction cost depreciated. By using the average of these three factors, and such other matters that in the particular case may affect the actual value of the property, the assessor will be able to arrive at a fair and equitable "actual value" for assessment purposes.

Uniformity

There is no necessity for changing the general system of assessing real and personal property other than requesting the careful application of the assessor's judgment in all cases.

The reduction in property values due to the depression, drouth, and other elements has disturbed values in some counties more than in others.

The real problem confronting this Board in 1937 will be to equalize values among counties. To accomplish this purpose

it may be necessary for the board to raise values in some counties and lower them in others. It is, therefore, suggested that assessors be extremely careful to take into consideration every known element in arriving at their valuations.

Of course, the buildings and land should be assessed according to roll and otherwise as provided by Section 6962 of the Code of Iowa, 1935.

Making a Good Assessment

Of course, every township and city assessor has jurisdiction to assess taxable property in his township or city. He is the original assessor and the board of review has authority to change his assessments although as a practical matter, it can consider only a few of them. Even if the board of review had unlimited time and facilities for investigation, it is impossible to correct a generally poor assessment short of completely making it over. Some of the things an assessor should do to enable him to make a good assessment are as follows:

1. Study this manual thoroughly. If there is something you do not understand or if something in which you are interested has been omitted, write the Board for further information.
2. Talk to other assessors of your county about local problems that arise.
3. Develop plans for making your assessment before you begin. Avoid "hit and miss" methods. You will not only make a better assessment but you will save yourself inconvenience if you follow a systematic program.
4. Present your problems to the Board by writing direct. The board maintains a staff whose sole purpose is to aid local assessing officials.
5. Do not accept the statements of taxpayers, their lawyers, or other persons on the proper interpretation of the tax laws as final. Require definite proof or verification. Supreme court decisions, the words of the statute, etc. are the best proof of legal questions. The easiest way to determine a doubtful question is to write to the Board and it will advise you or secure an opinion from the Attorney General.

Assessment Standards

The assessor is the judge of values and his judgment is the one which must control rather than the taxpayer's. If a taxpayer says his building or personal property is worth so much, this information is valuable, but is by no means controlling. The assessor may either raise or lower such values to obtain the actual values necessary to uniform assessment.

A good way for the assessor to begin the assessing season is to value his own property first. Naturally, he is more familiar with the true worth of his own property than any other. Of course, he may not own every type of property found in his own township or city but there will be some property of almost every general type that he will be familiar with. He should value this property next. After he has done this

he will have established assessment standards for those types of property. Then when he comes to similar types of property, it is only necessary to make comparisons with those properties he has already valued in order to decide how much better or worse such pieces of property are.

What Property Is Assessed

The assessor places a valuation on all property in his township or city with two exceptions. Certain property is exempt by statute and certain other property is assessed by the State Board of Assessment and Review.

The thing for the assessor to remember about exempt property is that it is not exempt unless it has been declared so by statute. Where there is any possible doubt about an exemption, it is the duty of the assessor to assess the property and let the owner apply to the board of review for exemption. All exempt property should be listed.

Railroad property except that which is leased to private individuals or corporations, telephone property except that which is not used for telephone purposes, utility property both inside and outside of towns and cities are assessed by the State Board of Assessment and Review.

When the Assessments Are Made

All property must be assessed as of the first day of January. It is the value on this day that counts. It is the owner on this day who is liable for the taxes (unless there is some agreement to the contrary by the owner and person who leases the property). Real estate is assessed every four years while personal property is assessed every year. However, when a building has been newly built, or some major alteration made, or if a structure has been destroyed by fire or some other cause, that particular property may be assessed in intervening years (1938, 1939, 1940).

See Sections 7106 to 7127 under Chapter II, laws relating to assessments, for further information regarding assessor's duties.

CHAPTER II

LAW RELATING TO ASSESSMENTS

Exemptions.

6944. The following classes of property shall not be taxed:

1. *Federal and state property.* The property of the United States and this state, including university, agricultural college, and school lands.

Exemption of federal-owned lands, see Sec. 4 of the Code.

2. *Municipal and military property.* The property of a county, township, city, town, school district or military company, when devoted to public use and not held for pecuniary profit.

3. *Public grounds and cemeteries.* Public grounds, including all places for the burial of the dead; and crematoriums with the land, not exceeding one acre, on which they are built and appurtenant thereto, so long as no dividends or profits are derived therefrom.

All cemetery associations whether organized for profit or not are exempt from taxation under this statute. Opinion of the Attorney General, 1931, p. 69.

4. *Fire equipment and grounds.* Fire engines and all implements for extinguishing fires, and the publicly-owned buildings and grounds used exclusively for keeping them and for meetings of fire companies.

5. *Public securities.* Bonds or certificates issued by any municipality, school district, drainage or levee district, river front improvement commission or county within the state of Iowa. No deduction from the assessment of the shares of stock of any bank or trust company shall be permitted because such bank or trust company holds such bonds as are exempted above.

Federal land bank bonds are exempt from taxation. Opinion of the Attorney General, 1933; citing Section 931, Title 12 U. S. Code.

6. *Property of associations of war veterans.* The property of any organization composed wholly of veterans of any war, when such property is devoted entirely to its own use and not held for pecuniary profit.

Dance pavilion operated by American Legion for profit not exempt. Opinion of Attorney General, 1931, p. 12.

7. *Property of cemetery associations.* All grounds and buildings used by cemetery associations and societies for cemetery purposes.

See also Section 10198 of the Code.

Cemetery associations organized for profit are exempt from taxation. Opinion of the Attorney General, 1932, p. 69.

8. *Libraries and art galleries.* All grounds and buildings used for public libraries, public art galleries and libraries and art galleries owned and kept by private individuals, associations, or corporations, for public use and not for private profit.

9. *Property of religious, literary, and charitable societies.* All grounds and buildings used by literary, scientific, charitable, benevolent, agricultural, and religious institutions and societies solely for their appropriate objects, not exceeding three hundred twenty acres in extent and not leased or otherwise used with a view to pecuniary profit. All deeds or leases by which such property is held shall be filed for record before the property herein described shall be omitted from the assessment.

House owned by church but rented for profit subject to taxation. Opinion of the Attorney General, 1932, p. 235.

Building partly used for lodge and partly leased to individuals for business purposes cannot secure an exemption. Opinion of the Attorney General, 1933.

Y. M. C. A. and Y. W. C. A. not educational institutions but are charitable and religious institutions. Opinion of the Attorney General, 1930, p. 373.

10. *Moneys and credits—property of students.* Moneys and credits belonging exclusively to the institutions named in subsections 7, 8, and 9, and devoted solely to sustaining them, but not exceeding in amount or income the amount prescribed by the charters or articles of incorporation; and the books, papers, pictures, works of art, apparatus, and other personal property belonging to such institutions and used solely for the purposes contemplated in said subsections and the like property of students in such institutions used for their education.

Endowment fund for benefit of aged, ministers not exempt from taxation. Opinion of the Attorney General, 1929, p. 45.

11. *Property of educational institutions.* Real estate owned by any educational institution of this state as a part of its endowment fund, to the extent of one hundred sixty acres in any civil township.

12. *Homes for soldiers.* The buildings, grounds, furniture, and household equipment of homes owned and operated by organizations of soldiers, sailors, or marines of any of the wars of the United States when used for a home for disabled soldiers, sailors, or marines and not operated for pecuniary profit.

13. *Agricultural produce.* The agricultural produce harvested by or for the person assessed within one year previous to the listing, all wool shorn from his sheep within such time, all poultry, ten stands of bees, all swine and sheep under nine months of age, and all other domestic animals under one year of age.

Baby beeves under one year not assessable. Opinion of the Attorney General, 1931, p. 53.

14. *Rent.* Obligations for rent not yet due and owned by the original payee.

15. *Private libraries.* Private or professional libraries to the actual value of three hundred dollars.

16. *Family equipment.* Family pictures; household furniture to the actual value of three hundred dollars, and kitchen furniture; beds and bedding requisite for each family; all wearing apparel in actual use; all food provided for the family.

The exemptions allowed in this subsection shall not apply to hotels and boarding houses, except so far as the exempted classes of property shall be for the actual use of the family managing the same.

17. *Farm equipment—drays—tools.* The farming utensils of any person who makes his livelihood by farming, the team, wagon, and harness of the teamster or drayman who makes his living by their use in hauling for others, and the tools of any mechanic, not in any case to exceed three hundred dollars in actual value.

Physician entitled to exemption from taxation of his library and equipment up to \$300. Opinion of the Attorney General, 1932, p. 202.

Tools and equipment of dentist exempt up to \$300 in value. Opinion of Attorney General, 1932, p. 204.

Barber entitled to exemption from taxation to the amount of \$300 on his tools. Opinion of the Attorney General, 1933. In *Hoyer v. McBride*, 202-1278, barber chair classed as tools.

18. *Government lands.* Government lands entered and located, or lands purchased from this state, for the year in which the entry, location, or purchase is made.

19. *Fraternal beneficiary funds.* The accumulations and funds held or possessed by fraternal beneficiary associations for the purpose of paying the benefits contemplated by Section 8778, or for the payment of the expenses of such associations.

20. *Capital stock of utility companies.* The shares of capital stock of telegraph and telephone companies, freight line and equipment companies, transmission line companies as defined in Section 7089, express companies, corporations engaged in merchandising as defined in Section 6971, domestic corporations engaged in manufacturing as defined in Section 6975, and corporations not organized for pecuniary profit.

21. *Capital stock of loan companies.* Shares of stock of loan corporations as defined in Section 6994, if said corporations have been granted the certificate provided for in Section 6996.

22. *Soldiers' bonus bonds.* All bonds issued under Chapter 332, Acts 39th General Assembly.

Made applicable to special charter cities by Sec. 7007.

Roads and drainage rights of way.

6945. Real estate occupied as a public road, and rights of way for established public levees and rights of way for established, open, public drainage improvements shall not be taxed.

Drainage ditch right of way exempt from taxation. Opinion of Attorney General, 1927, pp. 192, 200.

Right of way means that part of land covered by the easement. Opinion of the Attorney General, 1933.

Military service—exemptions.

6946. The following exemptions from taxation shall be allowed:

1. The property, not to exceed three thousand dollars in actual value, and poll tax of any honorably discharged union soldier, sailor, or marine of the Mexican war or the war of the rebellion.

2. The property, not to exceed eighteen hundred dollars in actual value, and poll tax of any honorably discharged soldier, sailor, marine, or nurse of the war with Spain, Tyler Rangers, Colorado volunteers in the war of the rebellion, 1861 to 1865, Indian wars, Chinese relief expedition or the Philippine insurrection.

3. The property, not to exceed five hundred dollars in actual value, of any honorably discharged soldier, sailor, marine, or nurse of the war with Germany.

4. The property, to the same extent, of the wife of any such soldier, sailor, or marine, where they are living together, and he has not otherwise received the benefits above provided; and the property, to the same extent, of the widowed mother, remaining unmarried, of any such soldier, sailor, or marine, where the said widowed mother is dependent upon any such soldier, sailor, or marine for support, and he has not otherwise received the benefits above provided.

5. The property, to the same extent, of the widow remaining unmarried and of the minor child or children of any such deceased soldier, sailor, or marine.

Widow who remarries and subsequently is divorced not entitled to exemption upon resuming single status. Opinion of the Attorney General, 1927, p. 80.

Exemption allowed to nonresident soldier. Opinion of the Attorney General, 1927, pp. 50, 69.

Soldier's exemption under Sec. 6946 applies to U. S. army only. Opinion of the Attorney General, 1927, p. 86.

Bank is not entitled to military exemption on stock levied against a soldier stockholder. Opinion of the Attorney General, 1928, p. 307.

Compensation received by world war veteran exempt as long as held by him; real estate purchased therewith not exempted. Opinion of Attorney General, 1928, p. 340.

Soldier who enlisted in U. S. army after November 11, 1918, not entitled to exemption under Sec. 6946. Opinion of the Attorney General, 1928, p. 303.

Widowed mother of soldier, since deceased, entitled to exemption if she would be dependent upon her son were he living. Opinion of the Attorney General, 1928, p. 318.

The adoption of the child of an ex-service man does not take away the right of exemption. Opinion of the Attorney General, 1930, p. 135.

Reserve officers not entitled to exemption from road poll tax. Opinion of the Attorney General, 1930, p. 274.

Exemption from poll tax for veterans means road poll tax not per capita tax. Opinion of the Attorney General, 1931, p. 69.

Widow is not entitled to exemption for more than one son. Opinion of the Attorney General, 1932, p. 272.

If a widow of civil war veteran marries and second husband dies she can again claim exemption from taxation by virtue of her being widow of first husband, a civil war veteran. Opinion of the Attorney General, 1933.

The compensation, insurance and maintenance and support allowance payable to world war veterans, under the act of congress, June 7, 1924, page 320, is exempt from all taxation. See Sec. 454, Vol. 38, U. S. Code.

Reduction—limitation.

6947. All persons named by the preceding section shall receive a reduction equal to their exemption, to be made from the homestead, if any; otherwise from other property owned by said persons. Such exemption shall extend only to the period during which such persons remain the owners of such property.

Soldier's widow, who has transferred her property to trustee by deed but has reserved control over property entitled to widow's exemption to be deducted from the life estate. Opinion of the Attorney General, 1933.

Listing by assessors.

6948. The beneficiary of exemptions allowed by the two preceding sections shall file with the assessor a written statement that he is the owner of the property on which the exemption is claimed, and every assessor shall annually make a list of persons entitled to such exemptions and return such list to the county auditor upon forms to be furnished by the auditor for that purpose; but the failure on the part of any assessor so to do shall not affect the validity of any exemption.

Property of a veteran will be subject to taxation only for that portion of the year in which the assessment is made during which he owned the property. Opinion of the Attorney General, 1926, p. 398.

Board of supervisors must allow soldier's exemption where claim is filed with assessor; discretionary thereafter, except that no discrimination can be shown as between soldiers. Opinion of the Attorney General, 1927, p. 267; 1928, p. 321.

Beneficiary must file written statement with assessor, or board of supervisors may exempt. After once filing, assessor should list the exemption until he has knowledge that the person is no longer the owner of the property. Opinion of the Attorney General, 1928, p. 420.

Board of supervisors cannot redeem from tax sale all property which would have been exempt under the soldier's exemption law, but upon which the exemption was not claimed. Opinion of the Attorney General, 1930, p. 62.

Exemption may be claimed by widowed mother of world war veteran. Opinion of the Attorney General, 1930, p. 374.

Exemption by board of supervisors.

6949. If no such statement is filed, no exemption shall be allowed by the assessor but it may be allowed by the board of supervisors if such statement is filed before September first of the year following the year for which the same is claimed.

1. The date when the taxes are levied by the board of supervisors creates the tax, and the right to an exemption dates from the levy of the tax, and not from the assessment date. *Iowa Wesleyan College vs. Knight*, 224 NWR 502.

10. Gold and silver plate, watches, jewelry, and musical instruments.

11. Every description of vehicle, including bicycles, except as otherwise provided.

12. Threshing machines.

13. Boats and vessels of every description, wherever registered or licensed, and whether navigating the waters of the state or not, if owned either wholly or in part by inhabitants of this state, to the amount owned in this state.

Franchise defined. A franchise is a special privilege conferred by the government upon an individual or corporation which does not belong to the citizens of the country generally, by common right. The mere right to exist as a corporation is a franchise, but the aggregate market value of the shares of stock of the corporation is usually regarded as a reasonable and equitable mode of valuing the franchise. Editor's note.

Foreign corporation property taxed as other property; stock taxed to the stockholder. Opinion of the Attorney General, 1927, p. 68.

Pension money not retained as money to meet daily wants and necessities but deposited in a bank on time certificate loses its character as pension funds and is subject to taxation. Opinion of the Attorney General, 1928, p. 341.

Mines in operation are taxable as real estate. Opinion of the Attorney General, 1929, p. 80.

Burial associations, although cooperative, should have their property listed for taxation. Opinion of the Attorney General, 1930, p. 200.

There is no exemption for gas pumps, pool or billiard tables under present statutes. Should be listed by assessor. Opinion of the Attorney General, 1931, p. 39.

Postal savings certificates are assessable as moneys and credits. Opinion of the Attorney General, 1931, p. 22.

1. **Receivership.** Property of insolvent firm is properly assessed to the receiver. It is the duty of the receiver of an insolvent firm to list all property in his hands as receiver and subject to taxation although he is not the actual owner, and the property, if taxable, is properly assessed to him as receiver. *Bone vs. Moore*, 300 Ill. 32. See also under Sec. 12718 this volume.

ANALYSIS

Property Generally

1. **General rule.** It is the general rule that all property is subject to taxation except such as has been specifically exempted therefrom by the legislature. *Beers vs. Langenfeld*, 149-581; 128 NW 847.

2. **Abstract books.** Manuscript books containing abstracts of title which are salable for a money value and are employed at a profit in the business of furnishing abstracts, are taxable. *Leon Loan Co. vs. Board*, 86-127; 53 NW 94.

3. **Mineral rights.** Minerals, supposed to underlie the surface of lands, may not be taxed beyond a mere nominal sum when their existence is purely speculative. *In re Colby*, 184-1104; 169 NW 443.

3-a. Mineral interests in real estate owned separately from the interests in the surface are real estate taxable as such and should be taxed separately from the surface interests. 17 LRA (NS) 688.

3-b. Separate parcels must be separately assessed, and the owner may divide his land horizontally as well as vertically, and a parcel cannot be taxed as a unit after the mineral rights have been conveyed in fee any more than if the parcel had been divided in the usual way and a part of it had been sold. LRA 1916D 307.

3-c. Ordinarily mineral rights would not be separately assessed unless they were conveyed away in fee. 43 LRA 725.

3-d. **Lease or license to mine.** A mere lease of the right to mine for and extract mineral does not make the interest of the lessee taxable as realty unless the instrument creates an estate of freehold as where granted for life.—Editor's Note.

4. **Double taxation.** The taxation of a mortgage debt in the hands of the mortgagee, and also of the property in the hands of a mortgagor, is not double taxation. Meyer vs. Dubuque Co., 49-193.

4-a. **Property temporarily absent from state.** The temporary absence from this state of tangible personal property belonging to a corporation of this state, presents no obstacle to the taxation in this state of said property. Capital Co. vs. City, 211-1228; 235 NW 476.

4-b. Corporate personal property, other than moneys and credits, is assessable against corporation under general tax levy, and double taxation does not result. Mills Co. Abstract Co. vs. Board, 216-398; 249 NW 235.

4-c. **Life estate.** The life estate in land is not subject to taxation as such. The land itself is taxed and the question is whether the life tenant or the owner of the fee should pay the tax. White vs. City, 139-479; 117 NW 254.

4-d. Shares of stock in a foreign corporation may be taxed to the owner in the state where he resides, even though he or the corporation has paid taxes on the stock in the state where the corporation was created, or the corporation has paid taxes on the corporate property in the home state. Judy vs. Beckwith, 137-24; 114 NW 565. Morrill vs. Bentley, 150-677; 130 NW 734.

Horses, Etc.

5. **Animals—how assessed.** Animals held with a view of traffic therein, as in merchandise, are assessable under the provisions of Section 6971; otherwise they should be taxed to the owner as other personal property. Jewell vs. Board, 113-47; 84 NW 973.

6. **Stock of nonresident.** Cattle brought into the state for feeding purposes and kept in the state until after the first of January, are subject to taxation, although the owner is a nonresident. The case is different where the property is taken through the state merely in the course of transportation. Fennell vs. Pauley, 112-94; 83 NW 799.

Credits, Etc.

7. **Additional annotations.** See under Sec. 6984.

8. **Mortgages held by nonresidents.** Davenport vs. Mississippi & M. R. Co., 12-539.

9. **Purchase money mortgage.** A purchase money mortgage is not exempt from taxation. To tax such security is not, at least as to the person owning the mortgage, double taxation. McGregor vs. Vanpel, 24-436.

10. **Taxing both mortgage and property.** Under particular facts indicating that conveyance of real property to a taxpayer was intended as between the parties merely as security for a loan, held, that the Board of Equalization was authorized to assess the property to the former owner, and the purchase price to the presumed purchaser as moneys and credits. Waller vs. Jaeger, 39-228. Meyer vs. Dubuque Co., 49-193.

11. **Notes kept in foreign state.** Notes which are left in another state for safe keeping are still subject to taxation in this state to the owner residing here. The debts exist independently of the notes themselves and follow the owner. *Hunter vs. Board*, 33-376.

12. **Money in hands of executor.** Money in the hands of an executor or administrator is not exempt from taxation simply for the reason it is not being loaned or invested, and even though the administration is ancillary, the money and property of the estate located in this state is subject to taxation, unless at least taxes thereon have been paid in the state principal administration. *Dorris vs. Miller*, 105-564; 75 NW 482.

13. **Notes to mutual insurance companies.** Payable only in case payment is necessary to meet losses are not taxable. 45 LRA (NS) 597.

14. **Patents and copyrights.** The state has no power to tax patents or copyrights. *McCulloch vs. Maryland*, 57 LRA 58; 4 US (L Ed.) 579.

15. **Patented articles may be taxed as tangible personal property at its full market value.** *Weitzel vs. Kayser*, 103 US 344; 37 ASR 750.

16. **Shares of stock of a corporation may be taxed, although the capital of the corporation is invested in valuable patent rights.** 53 LRA 417; 67 ASR 371.

County lands.

6954. All lands in this state which are owned or held by any other county or counties claiming title under locations with swamp land indemnity scrip, or otherwise, shall be taxed the same as other real estate within the limits of the county.

1. **Swamp lands in foreign county.** *Guthrie Co. vs. Carroll Co.* 34-108. *Callanan vs. Wayne Co.*, 73-709; 36 NW 654.

Interest of lessee.

6955. In all cases where land belonging to any state institution has been leased and the leases renewed, containing an option of purchase, the interest of the lessees therein shall be subject to assessment and taxation as real estate. The value of such interest shall be fixed by deducting from the value of the lands and improvements the amount required by the lease to acquire the title thereto, which leasehold interest so assessed and taxed may be sold for delinquent taxes and deeds issued thereunder as in other cases of tax sales, and the same rights shall accrue to the grantee therein as were held and owned by the tenant.

1. **Agricultural college lands.** *Trustees vs. Webster Co.*, 34-141.

Listing—by whom.

6956. Every inhabitant of this state, of full age and sound mind, shall list for the assessor all property subject to taxation in the state, of which he is the owner, or has the control or management, in the manner herein directed:

1. The property of one under disability, by the person having charge thereof.
2. The property of a married woman, by herself or husband.
3. The property of a beneficiary for whom the property is held in trust, by the trustee.
4. The personal property of a decedent, by the executor or administrator, or if there is none, by any person interested therein.
5. The property of a body corporate, company, society or partnership, by its principal accountant, officer, agent, or partner, as the assessor may demand.
6. Property under mortgage or lease is to be listed by and taxed to the mortgagor or lessor, unless listed by the mortgagee or lessee.

Trustee resident of this state must list trust funds. Opinion of the Attorney General, 1927, pp. 177, 190.

Defunct bank is assessed as of its condition on January 1st. Opinion of the Attorney General, 1927, p. 225.

Moneys and credits in hands of executor for investment listed where executor lives. Opinion of the Attorney General, 1929, p. 104.

Listing Generally

1. **Foreign corporations.** This section requires the listing of property of foreign corporations. *Morril vs. Bentley*, 150-677; 130 NW 734.
2. **Mortgages.** A mortgage itself is to be assessed as personal property to the mortgagee. *Davenport vs. Mississippi & M. R. Co.*, 12-539.
3. **Purchaser under contract for deed.** Where a purchaser of real estate under contract for a deed takes possession thereof, he is liable for the taxes thereon, and on subsequently taking the deed cannot require the vendor to covenant against such taxes. *Miller vs. Corey*, 15-166.
4. **Personal property, moneys and credits.** The owner is required to list his personal property, including moneys and credits, although it may be in the hands of an agent in another taxing district of the state. *German Trust Co. vs. Board*, 121-325; 96 NW 878.
5. **Duty of taxpayer.** The duty of listing property for assessment is imposed upon the taxpayer and the act of the assessor in returning or failing to return property for assessment to the Board of Review is ministerial and not judicial. *Tally vs. Brown*, 146-360; 125 NW 248.
6. **Definition.** There is a distinction between the word "residence" and "domicile." A man may temporarily reside in one place and have his domicile or permanent home in another, and the word "inhabitant" means the permanent home as distinguished from mere residence. *Glottfelty vs. Brown*, 148 Iowa 124. *Cover vs. Hatton*, 136 Iowa 63. *Barhydt vs. Cross*, 156 Iowa 271. *Bonner vs. Reandrew*, 203-1355; 214 NW 536.
- 6-a. **Intent.** To gain legal residence, exercise of volition in its selection is involved, and once established, it continues until a new one is acquired. *Harris vs. Harris*, 205-108; 215 NW 661.

6-b. **Domicile.** In determining one's domicile the question is, where is his home to which he intends to return when absent or when sick, or when his present engagement ends. *State vs. Savere*, 129 Iowa 122. *Taylor vs. Ind. Sch. Dist.*, 181 Iowa 544. *Sch. Dist. vs. Hendrickson*, 197 Iowa 191.

6-c. **Receivers must list property although not the owner.** *Bond vs. Moore*, 300 Ill. 32.

6-d. **Purchase of stock on margin.** The purchaser of corporation stock or bonds on margin is taxable on the market value thereof although he has not paid for it in full. *Putnam vs. Ford*, (Va.) 71 ALR 1217. *Contra*: See 193 Mass., 522.

6-e. **Trustees in bankruptcy.** The assets of the estate of a bankrupt while in the hands of the trustee is taxable and should be listed. *Swarts vs. Hammer*, 194 US 441; 48 L. Ed. 1060.

6-f. **Federal court receiver.** Property in litigation and in the hands of a federal court receiver is taxable and should be listed. *Cent. Trust Co. vs. Wabash Ry. Co.*, 26 Fed. 11.

Estate of Decedent

7. **To whom taxed.** Real and personal property held under a testamentary or other trust is taxable to the beneficiary. *Ellsworth College vs. Emmet Co.*, 156-52; 135 NW 594.

8. **Nonresident decedent.** The administrator of a nonresident should list for taxation in this state funds which have been sent into the state and placed in the hands of an agent for investment. *In re Miller's Est.* 116-446; 90 NW 89.

Mortgaged or Leased Property

9. **Mortgagor.** It is the duty of the mortgagor of real property to pay the taxes thereon. *Porter vs. Lafferty*, 33-254. *Dayton vs. Rice*, 47-429.

10. **Chattel mortgages.** Chattel property may not be taxed to the mortgagee thereof. *Arie vs. Burnside*, 182-1107; 166 NW 376.

Listing property of another.

6957. Any person required to list property belonging to another shall list it in the same county in which he would be required to list it if it were his own, except as herein otherwise directed; but he shall list it separately from his own, giving the assessor the name of the person or estate to which it belongs.

1. **Additional annotations.** See Sec. 6963.

2. **Nonresident owner.** Where personal property within a city is owned by a nonresident the officer or agent who has control thereof stands in the place of the owner, and its situs as to taxation, unless otherwise prescribed, is his place of business. *Dubuque vs. Illinois C. R. Co.*, 39-56.

3. **Guardianship property.** The personal property of a ward is to be assessed in the county where his guardian lives although the ward

has a legal residence in another county. *Hinkhouse vs. Wilton*, 94-254; 62 NW 782.

4. **Property of decedent.** The personal property of a decedent should, as a rule, be assessed in the county of which he died a resident, and not in the county where the executor resides. *McGregor's Ex'rs vs. Vanpel*, 24-436.

5. **Property of decedent.** Where the administrator is a resident of the same county where decedent died, but of another township, the personal property coming into possession of the administrator should be assessed in the township where the administrator resides. *Cameron vs. Burlington*, 56-320; 9 NW 239.

6. **Property of decedent.** Where there are two executors both having actual possession of personal property of the decedent and both residing in the same county but in different taxation districts each should return to the assessor of his district or township such personal property of decedent as may be in his immediate possession in such township. *Burns vs. McNally*, 90-432; 57 NW 908.

7. **Receivers of national banks not required to list personal property.** The personal property of an insolvent national bank in the hands of a receiver appointed pursuant to Sec. 5234 of the Revised Statutes is exempt from taxation under state laws. *Rosenblatt vs. Johnston*, 104 US Sup. Ct. 462.

Agent personally liable.

6958. Any person acting as the agent of another, and having in his possession or under his control or management any money, notes, and credits, or personal property belonging to such other person, with a view to investing or loaning or in any other manner using or holding the same for pecuniary profit, for himself or the owner, shall be required to list the same at the real value, and such agent shall be personally liable for the tax on the same; and if he refuse to render the list or to swear to the same, the amount of such money, property, notes, or credits may be listed and valued according to the best knowledge and judgment of the assessor.

Person in control of certificates of deposit must list for taxation. Opinion of the Attorney General, 1927, p. 185.

Trustee and permanent guardian of property is personally liable for the payment of taxes due on property in their possession. Opinion of the Attorney General, 1930, p. 283.

1. **Situs of agency property.** Although for some purposes the situs of moneys and credits is deemed to be where the owner resides, yet such property may be deemed within the state for the purpose of taxation and may be taxable as well as other kinds of personal property situated within the state under the control and management of an agent. *Hutchinson vs. Board*, 66-35; 23 NW 249.

2. **Proper listing.** Property may be listed to one as agent without giving the name of the person for whom he holds it. *Security S. Bank vs. Carroll*, 131-605; 109 NW 212.

3. **When agent liable.** No agent is liable to taxation for the property of another in his possession or under his control unless he holds that possession or is vested with that control for the particular purposes named in the statute. *German Tr. Co. vs. Board*, 121-325; 96 NW 878. *Heinz vs. Board*, 121-445; 96 NW 967.

if they are afterward submitted to him for correction and approval; and it is no objection that the mere clerical duty of listing was performed by another. *Snell vs. Fort Dodge*, 45-564. *Reed vs. Cedar Rapids*, 138-366; 116 NW 140.

2. **Information as basis of value.** In estimating the value of property on January first the assessor is not limited to conditions known at that time but may use such information available at the time the assessment is made. *Tally vs. Brown*, 146-360; 125 NW 248.

3. Offer to sell or buy at a price is not competent to show value. *Morril vs. Bentley*, 130 NW 737.

3-a. Recitals in deeds as to consideration is inadmissible to show value. *Ia. Ry. & L. Co. vs. Grand Jct.*, 209-687; 228 NW 623.

3-b. **Proving value.** The usual method of proving value in legal proceedings is by the testimony of witnesses, who express their opinions under oath as to such value, based upon their familiarity with land values in the community, and other circumstances bearing upon the question. *Ia. Ry. & Light vs. Grand Jct.*, 209-687; 228 NW 623.

3-c. **No market value.** If property has no market value, recourse should be had to earning capacity and cost of production. *Fitzberg R. Co. vs. Haren*, 19 NY SR 818, 3 NY Supp. 86.

3-d. **Earnings or income.** Many considerations have a share in determining value of land. Among them are actual shares of the property, or similar property, and the earning capacity of the property itself. No one consideration is conclusive; all may be properly taken into account. Sometimes houses of large cost will rent for only a small interest of their cost, or their value in the market. Other kinds of real estate may bring a large income upon their cost or their value in the market, so to take the earning capacity as the sole measure would be incorrect, yet it may properly have its influence. *Fitzberg R. Co. vs. Haren*, 19 NY SR 818.

3-e. **Net income.** The net income of a building constructed for commercial purposes and used for stores and offices, is an important element in determining its assessable value. *Powers vs. Kalbfleisch*, 49 NY Supp. 546, 156 NY 678.

Forest and fruit-tree reservations.

7110. Forest reservations fulfilling the conditions of Sections 2605 to 2617, inclusive, shall be assessed on a taxable valuation of four dollars per acre. Fruit-tree reservations shall be assessed on a taxable valuation of four dollars per acre for a period of eight years from the time of planting. In all other cases where trees are planted upon any tract of land, without regard to area, for forest, fruit, shade, or ornamental purposes, or for windbreaks, the assessor shall not increase the valuation of such property because of such improvements.

Exemptions of fruit-tree reservations apply whether within or without incorporated town or city. Opinion of the Attorney General, 1929, p. 140.

Exemption of fruit-tree reservation expires in eight years. Opinion of the Attorney General, 1932, p. 21.

Notice of valuation.

7111. The assessor shall, at the time of making the assess-

ment, inform the person assessed, in writing, of the valuation put upon his property, and notify him if he feels aggrieved, to appear before the board of review and show why the assessment should be changed.

Contract of sale of real estate should be assessed to vendee; contract to sell, assessment should be to vendor. Opinion of the Attorney General, 1928, p. 370.

Refusal to furnish statement.

7112. If any corporation or person refuse to furnish the verified statement required in chapters 331 to 342, inclusive, or to list his property, or to take or subscribe the oath required, the state board of assessment and review, or assessor, as the case may be, shall proceed to list and assess such property according to the best information obtainable, and shall add to the taxable valuation one hundred per cent thereof, which valuation and penalty shall be separately shown, and shall constitute the assessment; and if the valuation of such property shall be changed by any board of review, or on appeal therefrom, a like penalty shall be added to the valuation thus fixed.

1. **Applicability.** The penalty for refusing to furnish to the assessor a verified statement or to list property subject to taxation is not applicable to a false statement by a taxpayer respecting the amount of indebtedness for which he claims an offset as against his moneys and credits. *Stein vs. Board*, 135-539; 113 NW 339.

2. **Request for time to prepare list.** An assessor may not validly demand that the property owner list his property for assessment at any time which may suit the convenience of the assessor, and impose the 100 per cent penalty for failure to comply with such demand. *McCallum vs. Board*, 178-468; 159 NW 1036.

3. **Conditions precedent to right to penalize.** An assessor has no authority to require an oath or affirmation, or administer the same, until he has given information of the valuation placed upon the taxpayer's property, and advise him if he feels aggrieved, to appear before the Board of Equalization and show wherein the assessment should be changed. *Marion Co. vs. Galvin*, 73-18; 34 NW 617.

4. **Imposing penalty.** A 100 per cent penalty may not be validly imposed on an assessment, unless it appears that the assessor, or his deputy, at a time when he was armed with the official books, rolls and papers on which he could enter a valid assessment in full compliance with law, was met, on demand, with a refusal of the property owner, (a) to assist in the listing of his property, or (b) to take and subscribe the official oath to the correctness of said list. *McCallum vs. Board*, 178-468; 159 NW 1036.

5. **Belated return.** The penalty for failure to make return as required cannot be avoided by subsequently making a return after the assessor's books have been placed before the Board of Review. *Farmers' L. & T. Co. vs. Fonda*, 114-728; 87 NW 724.

False statement.

7113. Any person making any verified statement or return, or taking any oath required by this title, who knowingly makes a false statement therein, shall be guilty of perjury.

Meeting of assessors.

7114. The county auditor of each county shall, before the third day of January annually, issue a call to all the assessors of his county to meet at his office, or some other place at the county seat, within ten days, for consultation, and to receive from such auditor such information as shall tend to the proper discharge by them of their official duties. It shall be the duty of each of such assessors to attend such meeting, and they shall be allowed pay of one day for such attendance, and mileage at ten cents per mile one way.

Assessment rolls and books.

7115. The auditor shall procure and furnish to each assessor a supply of blank assessment rolls on which to enter, separately, the names of all persons, partnerships, corporations, or associations assessed, which rolls shall be made in duplicate; except that the oath form in the original may be omitted and the following inserted in lieu thereof: "If you are not satisfied that the foregoing assessment is correct, you can appear before the board of review, which meets at..... on the first Monday of April next. Dated.....day of, 19..... Assessor." In assessment districts where the board of review meets at any other time than the date fixed herein, the assessor shall change the date to correspond with the date upon which the board meets. Said duplicate shall be signed by the assessor, detached from the original, and delivered to the person assessed. He shall also furnish to each assessor a supply of blanks in this chapter described as "Assessment Roll, Form No. 2," which shall be in duplicate, and subject to the same conditions as the roll above provided for. The auditor shall also furnish to the assessor one assessment book, each page of which shall be headed "Assessor's book for..... township,county, Iowa, independent district of.....," and shall contain columns ruled and headed for the information required by this chapter, which rolls and books shall be substantially in the following form:

Note: Forms to be prescribed by the state board of assessment and review.

Notice of assessment. Notice and an opportunity to be heard are essential to every assessment. Without notice there is no due process of law. *Turner vs. Wade*, 254 US 64.

Schedules furnished.

7116. The assessor shall furnish to each person, partnership, corporation, or association, except those otherwise assessed as provided by law, a blank known as "Assessment Roll—Form No. 2," as provided in section 7115, upon which such person, partnership, corporation, or association shall enter

and set out all moneys and credits of whatsoever kind or nature belonging to such person, partnership, corporation, or association, and such liabilities as they claim should be deducted from the total of their moneys and credits. The assessor shall carry the aggregate moneys and credits of such persons, partnerships, corporations, or associations to the regular schedule.

Affidavits combined.

7117. It shall be lawful to combine the affidavit with reference to real and personal property, and the affidavit as to moneys and credits, into one affidavit.

Schedules preserved.

7118. The assessor shall return all schedules with the assessment books to the county auditor as is provided in this chapter, and the county auditor shall carefully keep all schedules known and described in this chapter as "Assessment Roll—Form No. 2," for the period of five years from the time of filing of the same in his office.

Uniform assessment rolls.

7119. The state board of review shall from time to time prepare and certify to each county auditor such instructions as to a uniform method of making up the assessment rolls as it thinks necessary to secure a compliance with the law and uniform returns, which shall be printed upon each assessment roll, and also prepare instructions for the same purpose as to making up the assessment book, which shall be printed therein.

Plat Book.

7120. The county auditor shall furnish to each assessor a plat book on which shall be platted the lands and lots in his assessment district, showing on each subdivision or part thereof, written in ink or pencil, the name of the owner, the number of acres, or the boundary lines and distances in each, and showing as to each tract the number of acres to be deducted for railway right of way and for roads and for rights of way for public levees and open public drainage improvements.

Note: Forms to be supplied by state board of assessment and review.

Completion of assessment—oath.

7121. The assessment shall be completed by the first day of April, and the assessor shall attach to the assessment rolls his oath in the following form:

I, (A..... B.....), assessor of.....county of..... and state of Iowa, do solemnly swear (or affirm) that the actual and taxable values of all property, money and credits, of which a statement has been made and verified by the oath of the person required to list the same, is herein truly set forth in such statement; that in every case, where I have been required to ascertain the amount or value of any property, I have diligently, and by the best means in my power, endeavored to ascertain the true amount and value, and as I verily believe the actual and taxable values thereof are set forth in the annexed return; in no case have I knowingly omitted to demand of any person, of whom I was required to do so, a statement of the items of his property which he was required by law to list, nor to administer the oath to him, unless he refused to take it, nor in any way connived at any violation or evasion of any of the requirements of the law in relation to the assessment of property for taxation.

Subscribed and sworn to (or affirmed) this..... day of....., A. D....., before me.....

Note: Legalizing act. see Sec. 44 G. A., Ch. 245.

1. **"Rolls" defined.** The assessment rolls are the lists or rolls of taxable property of persons, completed, verified, and deposited by the assessors, and not the books or lists which shall thereafter be made up for other purposes. *Reed vs. Cedar Rapids*, 138-366; 116 NW 140.

2. **Failure to attach oath.** Failure of the assessor to attach to the assessment rolls his oath, as required by statute, renders the taxes based on such assessment void. *Warfield-P.-H. Co. vs. Averill Groc. Co.*, 119-75; 93 NW 80. *Woodbine S. Bank vs. Tyler*, 181-1389; 162 NW 590.

Rolls returned to local board.

7122. Such rolls shall be laid before the local board of review on or before the first Monday of April in each year for correction.

In cities of ten thousand population and over, such assessment rolls shall be laid before the local board of review on or before the first Monday in May in each year.

Assessment book—preparation and return.

7123. When such correction has been completed, the assessor shall proceed to make up the assessor's book from such assessment rolls, allotting a sufficient number of pages to each letter, and return to the county auditor, together with the assessment rolls, plat book, and all statements which have been furnished to him in connection with the assessment,

Persons subject to poll tax.

7125. The assessor shall furnish to the clerk of the city, town or township, as the case may be, a list of all persons subject to poll tax.

Failure to perform duty.

7126. If any assessor or member of any board of review shall knowingly fail or neglect to make or require the assessment of property for taxation to be of and for its taxable value as provided by law or to perform any of the duties required of him by law, at the time and in the manner, specified, he shall forfeit and pay the sum of five hundred dollars, to be recovered in an action in the district court in the name of the county and for its use, and the action against the assessor shall be against him and his bondsmen.

Examination of assessors.

7127. It shall be lawful for the boards of supervisors, the trustees of townships, and councils of cities and incorporated towns as boards of review to summon any assessor or assessors to appear before them, respectively, to be inquired of under oath with respect to the method by which he or they has or have ascertained and fixed any valuation or valuations returned by him or them, and as to the correctness of any such valuation or valuations, and to administer the oath by any one of their members to the assessor or assessors so summoned before them; and any assessor so summoned who shall fail without good cause to appear, or appearing, shall refuse to submit to such inquiry, shall be deemed guilty of a misdemeanor, and on conviction thereof shall be punished accordingly.

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CHAPTER III

THE ASSESSMENT OF REAL ESTATE

No aspect of the assessor's work is more important or difficult than the assessment of real estate. There are only a few counties in the state in which this class of property does not make up at least three-fourths of the total of locally assessed property. Obviously the care and accuracy exercised in placing this very important class of property upon the tax roll will largely determine the equity with which the property tax will function within a given township or county. As every official connected with the tax system recognizes but taxpayers generally misunderstand, the function of the assessment machinery is to spread the burden of taxes among the property holders in the community. The assessment does not, except under very special circumstances, determine the aggregate amount of the tax bill.

No assessor or board of review should regard it as his or their duty to do any more than assess property in accordance with the law, irrespective of the aggregate resulting from their work. Many of the financial difficulties of local governments have originated from the desire of assessors to cut valuations regardless of the law and without regard to the consequences to budgets that have already been approved by the properly designated levying agencies. That the assessor is not empowered to fix the aggregate of taxes is no disparagement of the importance of his work. The distribution of the property tax burden is a more vital function than the slight alteration of the amount of the burden that an assessor or board of review may accomplish.

The financial cornerstone of local government rests upon the property tax, and the degree of fairness achieved depends almost completely upon the thoroughness and consistency with which township assessors or deputy county assessors do their work. Assessors' duties with respect to real estate are nominal in three out of four years. In those years he merely makes changes arising from the addition or destruction of buildings, from the platting of lands, and from the removal of property from an exempt status; but in the quadrennial year the assessor must inspect and appraise every parcel of property within his jurisdiction at market value, not simply copy the preceding assessment. Market value in Iowa means the price which the property would bring at a sale involving a willing buyer and a willing seller. The statute does not contemplate that property be assessed at prices it will bring at foreclosure sale or under any other distress circumstances; neither does it contemplate the use of values which obtained

during the boom years of the late twenties, and which many people believe some day will return.

In order to make a good assessment the assessor must be able to make a good appraisal of each piece of property. This means that all elements affecting value are given consideration and that **identical** procedures are applied to each and every parcel of property. Furthermore, the manifestation of prejudice, the showing of favoritism or the maintenance of a vindictive attitude are entirely incompatible with good appraisal work. Appraisals must be honest and unbiased. The only method by which these ends can be accomplished is the systemization of the work and the use of definite and objective standards.

In the real estate assessment for 1937, Section 6962 must be carefully followed: "No one description shall comprise more than one town lot, or more than the sixteenth part of a section or other smallest subdivision of the land according to the government surveys, except in cases where the boundaries are so irregular that it cannot be described in the usual manner in accordance therewith." In the case of city property where five or six adjoining lots are owned by one party, it will not be necessary to make a separate roll for each lot but it will be necessary to put a separate value on each lot and carry the same to the assessor's book and total to the tax list. If in this group of five or six lots, there is one lot on which there is a building, it will be necessary to separate this lot from the others and carry the separate value to the assessor's book and the tax list.

The custom in most counties is to arrive at an average value per acre for farm land and make a lump assessment. The government or insurance companies do not do this when appraising farms for loan purposes but appraise each forty acres separately. Seldom does the value of land remain the same over a larger area than this. Why should not the assessor who is determining the share each landowner must pay for support of schools and local government be as painstaking.

Land and building values are to be divided on the assessor's roll and carried to the assessor's book in the same manner. This regulation the board insists upon for 1937 and all subsequent real estate assessment years under the power granted to it by section 6943-c27. There are 34 out of the 48 states which separate land and building values to obtain equality in values. This method gives the various boards of review, at the time of equalization, information which is dependable. The local board of review can equalize more accurately between individual owners; county board, between townships; and the state board, between counties. The statute considers buildings as part of the realty and the value of each must be included, otherwise, it would not speak specifically of adding

buildings to real estate in the years that real estate is not assessed.

Buildings or other improvements on a farm are worth only what they add to the value of the bare land on which they are located regardless of what they cost to erect. They should not be valued until all the farm land with which they are assessed has been classified and valued. The reason for this is apparent. After the land has been valued by the application of unit values (value per acre according to use, etc.) and the improvements have been valued and the two values combined, it may result in an amount that does not represent the actual value of the property. In such cases it becomes necessary to scale up or down in order to arrive at its actual value under the rules heretofore set out. This scaling is usually done on the improvements, giving the greater scaling to the dwelling than to the other buildings for the reason that the dwelling does not possess the utility value to the farm that is found in the barns and other necessary improvements.

The past ten years have seen enormous progress both in the development of techniques of real estate appraisal and in the widespread application of these techniques. The federal government's entrance into the field of farm and home finance through the Farm Credit Administration, the Home Owner's Loan Corporation, and allied agencies has created an enormous demand for accurate and uniform valuations. In addition the Public Works Administration, the Reconstruction Finance Corporation, and the Federal Emergency Relief Administration have been interested in valuations of home and business properties for a variety of purposes. Not the least of these is the appraisal for tax purposes. At no previous time has so much effort and skill been applied to the appraisal problem. For the appraisal of urban property a substantial body of technique was available to meet this emergency. For several decades the assessment administration in some of the larger and more progressive cities of the country had been developing rules for assessing urban property. Assessments made in accordance with this body of rules have come to be known as "scientific assessments"; the rules and procedures followed are called "scientific assessment systems." Although a great variety of such systems are being used the fundamental principles involved are very similar and the result obtained by the use of any system will in the majority of cases be practically the same. These systems do not exclude reliance on the judgment and opinion of the appraiser, but in so far as possible these factors are limited to application under special circumstances. The appraisal work of the federal government in the cities, therefore, has been considerably simplified by the use of such methods.

With respect to appraisal of farm property the situation was quite different. Although insurance companies, the joint

stock land banks, state and national banks, and other agencies have been loaning money to farmers for years, no very systematic methods have been devised for appraising farm property. In a general way the volume of sales data was sufficient to establish valuations that were regarded as satisfactory for credit purposes. Furthermore, from a credit standpoint the moral risk of the borrower was taken rather heavily into consideration. This method of valuing farm property, however, was inadequate under the distress conditions of the past few years when defaults occurred despite the good faith and honesty of the borrower, and when bona fide sales of farm property were almost unknown. It was necessary for the government to develop some other means for determining the value of farm real estate. During the last few years, therefore, there has been a concerted effort to place the appraisal of farm property on a substantially similar basis to that now used for city property. Fundamentally farm appraisals rest upon the character and utilization of the soil, upon the climate and topography, and upon the character of the community and the location. An intensive analysis of the farm not only includes the above mentioned factors, but also the value of the buildings on the farm both from the standpoint of the cost of reproduction in their present condition and of their value to the farm as a going concern.

In making its appraisals the government has employed information and techniques not generally available to the average assessor. Nevertheless it is quite probable that the next decade will use the transference of these techniques to the appraisal of rural lands for tax purposes. Taking the appraisal work of the federal government and the insurance companies together it has been estimated that within the past few years approximately one-eighth of the farms in Iowa have been appraised for credit purposes.

The relationship of appraisals for credit purposes and for tax purposes should be borne in mind. The statute defines the value for tax purpose to be the actual value. Appraisals for credit purposes have generally assumed that loans should not be extended for any more than some proportion of the value determined by earning capacity. Federal appraisals have used net earnings based on the relationship between costs and prices for the period of 1909 to 1914. In doing this the government has attempted to estimate the long time value of the property and it is not concerned with the fluctuations which occur from year to year.

It is safe to say that whenever the assessor is able to obtain information on appraisals for credit purposes he may regard them as furnishing a relatively conservative estimate of the full market value.

Laws Relating to the Assessment of Real Estate

Personal property—real estate—buildings.

6959. Property shall be taxed each year, and personal property shall be listed and assessed each year in the name of the owner thereof on the first day of January. Real estate shall be listed and valued in 1933 and every four years thereafter, and in each year in which real estate is not regularly assessed, the assessor shall list and assess any real property not included in the previous assessment, and also any buildings erected since the previous assessment, with a minute of the tract or lot of land whereon the same are situated, and the auditor shall thereupon enter the taxable value of such buildings on the tax list as a part of the real estate to be taxed; but if such buildings are erected by another than the owner of the real estate, they shall be listed and assessed to the owner as personal property, but buildings and fixtures erected on real estate held under a lease of longer than three years' duration shall be assessed as real estate.

Nursery stock should be assessed for taxation when growing on land as a part of the land; when growing in containers separated from the land as personal property. Opinion of the Attorney General, 1930, p. 118.

Mines in operation are taxable in real estate. There is no provision authorizing the taxation of mineral rights, separate and distinct from the real estate to which the mineral belongs. Opinion of the Attorney General, 1930, p. 80.

1. **Ownership subsequent to January first.** A tax based upon an assessment of personal property to the person owning the same at the time of assessment, but who did not own it on January first preceding, is illegal and its collection may be enjoined. Personal property brought into the state after January first is not taxable for that year. *Wangler vs. Black Hawk Co.*, 56-384; 9 NW 314.

2. **Ownership subsequent to January first.** A person should not be assessed for any year upon personal property not owned by him on the first day of January of such year. *Tackaberry vs. Keokuk*, 32-155.

3. **January first standard date.** Assessments of personal property relate back to the first of January previous. In *re Kauffman's Estate*, 104-639; 74 NW 8.

4. **When real estate nonassessable.** Real estate not liable to assessment at the time the assessment is closed should be passed without assessment that year. *Des Moines Nav. & R. Co. vs. Polk Co.*, 10-1. *Tallman vs. Treasurer*, 12-531. *Sully vs. Poorbaugh*, 45-453.

5. **When real estate first taxable.** Land purchased from the government may become subject to taxation for the year in which land is not regularly assessed. *Barret vs. Kevane*, 100-653; 69 NW 1036.

6. **Nursery stock.** Nursery stock is not personal property, but a part of the realty, and should be included with the realty in making the assessments. *Wilson vs. Cass Co.*, 69-147; 28 NW 483.

7. **Betterment as "omitted real estate."** The value of a betterment (other than real estate) added to real estate after its assessment in an odd-numbered year, may not be treated in the next following year as "omitted real estate." *Des Moines Water Co. vs. Hammill*, 187-949; 174 NW 772.

8. **Equalization—evidence—recitals of consideration.** The recitals of consideration in deeds of conveyances are not admissible to prove the value of real estate for the purpose of taxation. *Iowa Corp. vs. Board*, 209-687; 228 NW 623.

Unknown owners.

6960. When the name of the owner of any real estate is unknown, it shall be assessed without connecting therewith any name, but inscribing at the head of the page the words "owners unknown," and such property, whether lands or town lots, shall be listed as nearly as practicable in the order of the numbers thereof.

Deceased owner.

6961. The real estate of persons deceased may be listed as belonging to his estate or his heirs, without enumerating them.

1. **Assessment to deceased.** Assessments may properly be made in the name of the owner of the personal property on the first of January, although at the time of the assessment the owner is deceased. In re *Kauffman's Estate*, 104-639; 74 NW 8.

Description of tracts—manner.

6962. No one description shall comprise more than one town lot, or more than the sixteenth part of a section or other smallest subdivision of the land according to the government surveys, except in cases where the boundaries are so irregular that it cannot be described in the usual manner in accordance therewith.

Machinery deemed real estate.

6977. Machinery used in manufacturing establishments shall, for the purpose of taxation, be regarded as real estate.

1. Statute exempts from capital stock tax manufacturers of personal property for sale, not builders of permanent structures constituting part of realty. In re *Koss Const. Co.*, 241 NW 495.

2. Corporation engaged in business of building permanent concrete pavements held not "manufacturers" exempt from capital stock tax. In re *Koss Const. Co.*, 241 NW 495.

Actual, assessed, and taxable value.

7109. All property subject to taxation shall be assessed at its actual value which shall be entered opposite each item. The terms "actual value," "assessed value" and "taxable value" shall hereafter be construed as referring to "actual value."

The tax rate shall be applied to the actual value, except as otherwise provided.

In arriving at said actual value the assessor shall take into consideration its productive and earning capacity, if any, past, present, and prospective, its market value, if any, and all other matters that affect the actual value of the property; and the burden of proof shall be upon any complainant attacking such valuation as excessive, inadequate, or inequitable. (As amended by Ch. 121, 45 G. A.)

The following decisions were all rendered prior to the present statute fixing taxable value as full value.

1. **Constitutional provisions.** Code, Iowa 1897, Sec. 1336 and Code Supp. 1305 (See Sec. 7109, C., '27) requiring all property with certain exceptions to be valued for taxation at its actual value, prohibits inequality of treatment and intentional, deliberate assessment of different classes of property at different percentages of the actual value, constitutes unlawful discrimination, in violation of the federal constitution. *Chicago, M. & St. P. Ry. Co. vs. Kendall*, 278 Fed. 298 (1921).

2. **Valuation by deputy.** The assessment is not invalid, although the assessor may employ another to make the valuations of property, if they are afterwards submitted to him for correction and approval; and it is no objection that the mere clerical duty of listing was performed by another. *Snell vs. Fort Dodge*, 45-564. *Reed vs. Cedar Rapids*, 138-366; 116 NW 140.

3. **Information as basis of value.** In estimating the value of property on January first the assessor is not limited to conditions known at that time but may use such information available at the time the assessment is made. *Tally vs. Brown*, 146-360; 125 NW 248.

4. **Arbitrary value.** An assessment, purely arbitrary in the sense that it was made in utter disregard of the real value of the property, and to which a 100 per cent penalty was added, on the theory that the owner had refused to assist in listing his property, should have been set aside by the assessor, and an assessment made in the usual way, when, at a time when the assessment records were still under the control of the assessor, the property owner presented himself at the assessor's office and offered to submit to an assessment in such ordinary way. *McCallum vs. Board*, 178-468; 159 NW 1036.

5. **Offer to sell or buy at a price is not competent to show value.** *Morril vs. Bentley*, 130 NW 737.

5-a. **Recitals in deeds as to consideration is inadmissible to show value.** *Ia. Ry. & L. Co. vs. Grand Jct.*, 209-687; 228 NW 623.

5-b. **No market value.** If property has no market value, recourse should be had to earning capacity and cost of production. *Fitzberg R. Co. vs. Haren*, 19 NY SR 818, 3 NY Supp. 86.

5-c. **Earnings or income.** Many considerations have a share in determining value of land. Among them are actual sales of the property, or similar property, and the earning capacity of the property itself. No one consideration is conclusive; all may be properly taken into account. Sometimes houses of large cost will rent for only a small interest on their cost, or their value in the market. Other kinds of real estate may bring a large income upon their cost or their value in the market, so to take the earning capacity as the sole measure would be incorrect, yet it may properly have its influence. *Fitzberg R. Co. vs. Haren*, 19 NY SR 818.

5-d. **Net income.** The net income of a building constructed for commercial purposes and used for stores and offices, is an important ele-

ment in determining its assessable value. Powers vs. Kalbfleisch, 49 NY Supp. 546, 156 NY 678.

A Scientific System

The old system used in assessing and fixing values of property in Iowa originated in 1853. It was before even the horse and buggy era. Three quarters of a century ago when land sold at a very low price per acre, and taxes were low, a slight discrepancy between individual units cut no particular figure, but now a fair and equitable system of assessing property is an absolute necessity. There can be no equitable system as long as we rely upon our present methods and machinery. The state must adopt some modern and scientific method of working out values. We are lagging behind the procession as several other states have already worked out such a system. Recently Iowa put in use a data sheet. The plan has been successfully used in other states for a number of years.

The keystone of all these systems is to classify the property. The land and buildings, for instance, are valued separately and in detail. In a few cities and perhaps a few country towns of this state, an effort has been made to modernize the methods of figuring values. For the most part however, the assessment now is based on a mere guess without any serious attempt to classify and analyze the factors that influence taxable values. We have made an extensive study of the new system in vogue in our neighboring states, and in all of them a data sheet or appraisal card is used.

The day was when the assessor had intimate knowledge of his locality. Values were low. Taxes were low. He could, with approximate accuracy, put a value on every farm and village holding by a casual glance. This period has definitely passed. We must now apply careful, exact, scientific principles and measures if we will avoid gross inequality.

Valuation of Real Property

It is the duty of the assessor to actually view each tract or lot of real property listed for taxation when making the assessment. He is not authorized to copy the preceding assessment, but should actually inspect the property and carefully appraise its value. Only in exceptional cases is he permitted to assess the property without a personal inspection. In such cases, that is, when it is physically impracticable to view the property, he should avail himself of every possible source of information as to its character and value before making an assessment.

Data Sheets

In introducing data sheets it is intended to assist the assessor in making up a good assessment of the property. This

means more work for the assessors. There are more than 200,000 farms in Iowa, and it is a huge job to accumulate data as to their condition. In some counties of southern Iowa less than half the acreage of farms is in cultivated crops. In most of the central and northwestern counties about 70 per cent is cultivated.

Referring to the use of data sheets, in the state of Minnesota their Assessors Manual contains instruction, based on actual operation of the data sheet plan and will be a valuable aid to assessors in Iowa. We therefore quote from this manual as follows:

“The most important element in the assessment of property for purposes of taxation is equality of valuation. Under the general property tax system, the value of property constitutes the tax base, and as all property is supposed to contribute to the expenses of government in proportion to its actual value the most important step in a good assessment is equality in valuation. Equality in valuation means equality in the distribution of tax burdens, whether such burdens be high or low.

“Two forms of data sheets are prescribed by the commission, one for use in the assessment of improved rural or farm property, and the other for improved urban real property. The county auditor shall furnish necessary blanks.

“The data sheets should be filed with the county auditor when the assessment books are returned in order that they may be available to the county board when considering assessment complaints. The sheets will be preserved by the county auditor and will be returned to the assessor for use in making the real estate assessment in the next odd-numbered year.

Use of Rural or Farm Data Sheets

“It is not expected that measurements will be taken to determine the acreage that falls in each class. The law required an assessor to actually view the land before making the assessment, and from this survey, and from such information as he may be able to obtain from the owner and from occupants of adjoining lands, he should be able to fairly estimate the acreage in each class.

“The experience gained by assessors in the classification of each class should result in the most complete and equitable assessment of improved farm property ever made in the history of the state. But classification and separate valuations will be successful only to the extent that assessors use honest and intelligent judgment, uninfluenced by either favoritism or prejudice. No system or formula of valuation will meet the rule of equality required under the law unless backed by sound judgment and honest effort on the part of the assessors.”

Valuing Improvements

Buildings or other improvements on a farm are worth only what they add to the value of the bare land on which they are located, regardless of what they cost to erect. They should not be valued until all the farm land with which they are assessed has been classified and valued.

Knowledge of Building Costs and Depreciation

There is no way other than by a knowledge of the cost of buildings and their depreciation that the assessor can compare sets of improvements. The assessor cannot carry the detail and worth of such buildings in his head, and apply it to the assessment of other improvements in his district without the cost of reproduction and depreciation data. Therefore, we have submitted tables of both cost and reproduction which are self-explanatory and will be of material help in figuring the worth of buildings.

The suggestions and figures contained in the foregoing paragraphs are intended as an aid to the assessor, rather than a fixed and unchangeable rule. They are intended to be helpful, not arbitrary. The law contemplates that all taxable property shall be assessed in accordance with its actual value, and, regardless of rules, no conscientious assessor will disregard this plain mandate of law. Rules and formulas are at best but a guide and no matter how carefully such formulas may have been devised and considered, good judgment, properly applied, must in the end be the controlling factor in an equitable assessment.

Data Cards for Town and City

The following illustration shows the data valuation card for use in the appraisal of town and city property.

The first problem that confronts an assessor in the assessment of town and city property is to find a basis for valuation, or, in other words, a standard by which to measure the value of each lot or tract in relation to the value of other lots and tracts. This can best be done by establishing basic points in business and residential sections, and, from the value fixed on such basic points, establish the value for adjacent property according to location and desirability for either business or residential purposes.

The first step in making an assessment in urban districts is to determine a standard unit of land area. Lots vary in different cities and even in different sections of the same city. It is therefore necessary to establish a standard unit of land area by which all other areas may be measured. In business sections a standard area of 40x100 feet may be established, while in residence districts the standard area may be fixed at 60x150 feet.

DATA SHEET—FARM LAND APPRAISEMENT,Twp.

Official Form by Iowa State Board of Assessment and Review

Owner Address.....

DESCRIPTION:

..... Sec. Township..... Range..... Acres.....
Market Located..... miles from (Pop.) on..... Railway
Public Road (If not on main traveled road, give distance to same.....)
 (Dirt—Gravel—Paved)
School School is..... miles in..... District
 (Rural—Independent—Consolidated)
Values What is average value per acre of improved farms in this neighborhood? \$.....
Character of Land Soil Type Subsoil.....
 Clay. Loam. Gumbo. Sandy. Stony. Level. Rolling. Hilly.
Drainage Is artificial drainage necessary?..... Acres fully tiled?..... Acres needing tile?.....
 Located in drainage district?..... Name or number?.....

CROPS, 1934

Corn	A.	Tame Hay	A.
Oats	A.	Native Hay	A.
Wheat	A.	Tame Pasture	A.
.....	A.	Native Pasture	A.
.....	A.	Bldg. Site and Lots.....	A.
Total		Total	
Cultivated	A.	Uncultivated	A.

Total value of 1932 Crop \$.....
 How many years has this land been cultivated?.....
 How much quack grass, Canada or sow thistle or other noxious weeds on the premises?..... Acres

Kind and Value of Lands

Cultivated	A.	at \$.....	per A.	\$.....
Meadow	A.	at \$.....	per A.	\$.....
Pasture	A.	at \$.....	per A.	\$.....
Upland	A.	at \$.....	per A.	\$.....
Bottomland	A.	at \$.....	per A.	\$.....
Swamp	A.	at \$.....	per A.	\$.....
Timber	A.	at \$.....	per A.	\$.....
Brush and Cutover.....	A.	at \$.....	per A.	\$.....
.....	A.	at \$.....	per A.	\$.....
Wasteland	A.	at \$.....	per A.	\$.....
Alkali.....	A.	Peat.....	A.	at \$.....
				per A. \$.....
Total true and full value of land \$				

IMPROVEMENTS

Fences Kind? Condition?..... Acres fenced?.....
Water Is there one main well?..... Drilled, bored or dug?..... Windmill?.....
Supply Ever water shortage?..... Any other wells?..... In use?..... Rainwater cistern?
 Other sources of water supply?.....

DESCRIPTION OF STRUCTURES

Dwelling	Age and Size		Condition	Construction	Basement	Roof	Heat
	Built 19.....			<input type="checkbox"/> Frame		<input type="checkbox"/> Shingles	
	AgeYrs.	<input type="checkbox"/> Good	<input type="checkbox"/> Brick	<input type="checkbox"/> Full	<input type="checkbox"/> Asbestos	<input type="checkbox"/> Stoves	
	No. Stories.....	<input type="checkbox"/> Fair	<input type="checkbox"/> Stone	<input type="checkbox"/> Half	<input type="checkbox"/> Composition	<input type="checkbox"/> Hot Air	
	No. Rooms.....	<input type="checkbox"/> Poor	<input type="checkbox"/> Stucco	<input type="checkbox"/> None	<input type="checkbox"/>	<input type="checkbox"/> Hot Water	
Size		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Steam		

Present Value

Est. Cost of Dwelling \$..... Less Depreciation.....% Amt. Depreciation \$..... \$.....

Size and Description	Age	Condition			Est. Cost	% Dep.	Amt. Dep.
		GOOD	FAIR	POOR			
Addition	yrs.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$.....	\$.....
.....	yrs.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$.....	\$.....
Barn	yrs.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$.....	\$.....
.....	yrs.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$.....	\$.....
Crib (Double or Single).....	yrs.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$.....	\$.....
Granary	yrs.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$.....	\$.....
Hog House	yrs.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$.....	\$.....
Chicken House	yrs.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$.....	\$.....
Garage	yrs.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$.....	\$.....
Machine Shed	yrs.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$.....	\$.....
Silo	yrs.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$.....	\$.....
Windmill	yrs.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$.....	\$.....
.....	yrs.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$.....	\$.....
Other Structures	yrs.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$.....	\$.....
Machinery permanently attached to real estate.....	yrs.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$.....	\$.....
Total full value of structures							\$.....

RECAPITULATION

Kind of Machinery..... True and full value lands \$.....
 True and full value structures, including attached machinery..... \$.....
 True and full value land and structures, including attached machinery \$.....

Roll No..... Actual Value \$.....

NOTE: Use check mark (V) in square to indicate kind of land and structures, and condition.

RULE FOR FARM BUILDINGS (Square Ft. Ground Measure)

APPROXIMATE COST OF FARM BUILDINGS PER SQUARE FOOT OF GROUND MEASURE

FRAME	A—Dwellings			
	1 Story Constr.		2 Story Const.	
	Cheap	Good	Cheap	Good
(Small cellar, post foundation, no improvements).....	\$1.00	\$1.25	\$1.40	\$1.75
(Large cellar, masonry foundation, no improvements)....	1.25	1.55	1.75	2.20
(Large cellar, masonry foundation, with improvements)	1.60	2.00	2.25	2.80
BRICK OR STONE				
(Small cellar, masonry foundation, no improvements).....	1.40	1.75	1.95	2.45
(Large cellar, masonry foundation, no improvements)....	1.50	1.90	2.10	2.60
(Large cellar, masonry foundation, with improvements)	1.80	2.25	2.50	3.15
HAY BARNS				
B—Frame Barns				
	Construction			
	Cheap	Good		
(No floor, post construction, ordinary height).....	\$.20	\$.30		
(Floors, good grade construction, ordinary height).....	.30	.45		
HAY AND COW BARNS				
(Without modern equipment or masonry foundation).....	.30	.70		
(With modern equipment and masonry foundation).....	1.00	1.50		
HORSE AND COW BARNS				
(Single story with modern equipment and masonry foundation).....	.70	1.00		
(Single story without modern equipment or masonry foundation).....	.35	.55		

Silos, water tanks and towers, according to size and material of construction.

TABLE OF DEPRECIATION FOR FARM BUILDINGS

Old buildings are not as valuable as new buildings and will not add much to the value of the land. Every year they depreciate, due to wear and tear and the action of the elements. They also depreciate by becoming out of date and not so desirable for the uses for which built as buildings of modern construction. Depreciation must always be taken into consideration where construction costs are used in helping arrive at an assessment. The following table of depreciation is suggested for farm buildings:

A—FARM DWELLINGS (Frame on stone foundation).....	2.5%	C—SHEDS (Frame construction without stone foundation).....	7%
B—BARNS (On stone foundation).....	2.5%	D—OTHER FARM BUILDINGS (Without foundation).....	5%

IMPROVEMENTS

Improvements are considered: (1) Good porches; (2) Hardwood finish downstairs; (3) Electric lights; (4) Furnace heat; (5) Plumbing. If building has one improvement use square foot price designated "Cheap." If the building has three improvements, use square foot price designated "Good." If the building has all improvements, increase the square foot price accordingly.

C—Corn Crib and Granaries

	Construction	
	Cheap	Good
1 Story Frame 8 ft.....	\$.60	\$.75
2 Story, Frame 16 ft.....	.90	1.10
2½ Story, Frame 16 ft. grny	1.10	1.35

D—Miscellaneous Buildings

Frame tool sheds.....	.10	.15
Small frame buildings.....	.20	.30
Small frame sheds.....	.10	.15
Other small farm buildings	.20	.30

DATA SHEET—CITY OR TOWN REAL ESTATE APPRAISEMENT

City or Town of..... County, Iowa.

Owned by Address

Description—Lot

Block..... (Addition or Subdivision)

Size of Lot.....ft. front by.....ft.....Sq. ft. @ \$..... Land Value \$.....

DESCRIPTION OF BUILDING

TYPE OF BUILDING		Age and Size	Construction	BASEMENT	ROOF	HEAT
<input type="checkbox"/> Dwelling	<input type="checkbox"/> Hotel		<input type="checkbox"/> Frame	<input type="checkbox"/> Full	<input type="checkbox"/> Shingle	
<input type="checkbox"/> Duplex	<input type="checkbox"/> Factory	Built 19.....	<input type="checkbox"/> Brick	<input type="checkbox"/> Half	<input type="checkbox"/> Asbestos	<input type="checkbox"/> Stoves
<input type="checkbox"/> Apartment	<input type="checkbox"/> Warehouse	AgeYrs.	<input type="checkbox"/> Stucco	<input type="checkbox"/> None	<input type="checkbox"/> Slate	<input type="checkbox"/> Hot Air
<input type="checkbox"/> Flat	<input type="checkbox"/> Theater	No. Stories.....	<input type="checkbox"/> Cement Blocks	<input type="checkbox"/> Stone Wall	<input type="checkbox"/> Tile	<input type="checkbox"/> Hot Water
<input type="checkbox"/> Store	<input type="checkbox"/> Garage	No. Rooms.....	<input type="checkbox"/> Tile	<input type="checkbox"/> Concrete Wall	<input type="checkbox"/> Gravel	<input type="checkbox"/> Vapor
<input type="checkbox"/> Office	<input type="checkbox"/> Barn	Est. Cost \$.....	<input type="checkbox"/> Steel Frame	<input type="checkbox"/>	<input type="checkbox"/> Composition	<input type="checkbox"/> Steam
<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/> Stone	<input type="checkbox"/>	<input type="checkbox"/> Sheet iron	

Condition: Good. Fair. Poor.

Improvements: Water. Sewer. Gas. Electricity. Sprinklers. Elevators. Plate Glass Front. Stone Trim Front.

VALUE

Age.....yrs. Front.....ft. Depth.....ft.....Sq. ft. @.....per ft. \$.....

Additions, Porches, Etc.

Age.....yrs. Front.....ft. Depth.....ft.....Sq. ft. @.....per ft. \$.....

Age.....yrs. Front.....ft. Depth.....ft.....Sq. ft. @.....per ft. \$.....

Age.....yrs. Front.....ft. Depth.....ft.....Sq. ft. @.....per ft. \$.....

Total Value\$.....

Less Depreciation%.....\$.....

Net Value\$.....

CONDITION

SIZE AND DESCRIPTION

Garage: Good. Fair. Poor.\$.....

Barn: Good. Fair. Poor.\$.....

Good. Fair. Poor.\$.....

Good. Fair. Poor.\$.....

True and Full Value Structures.....\$.....

True and full Value Land.....\$.....

Machinery: Permanently attached to Real Estate.....\$.....

True and Full Value Real Estate including attached machinery \$.....

Actual Value Land and Structures... \$.....

Actual Value Machinery\$.....

Total Actual Value\$.....

NOTE: Use check mark (V) in square to indicate type of building, construction, etc. This sheet should be returned to Auditor for permanent file. Official Form by Iowa State Board of Assessment and Review.

Having established a standard or unit area, the next and most important step is the fixing of values at basic points. In doing this it is suggested that the assessor will find assistance in conferring with real estate dealers and others having knowledge of land values. It is good practice on the part of the assessor, as an aid in his work, to avail himself of such information relative to values as he may be able to obtain from persons of sound and dependable judgment. The final decision governing the value must of course, be made by the assessor and will depend on his own good sense.

Lots of Varying Depth

In nearly every town and city lots of varying depths will be found, especially in the business districts. Different tables have been worked out to determine relative values of lots shorter or longer than the standard lot of 40x100 feet. A simple rule, easily memorized, known as the 4-3-2-1 rule, using 25-foot depth units, follows:

Assume a standard lot of 40x100 feet to be worth \$125 per front foot, or \$5,000. Under this rule the value for each 25 feet of depth would be:

First 25 feet, 40 per cent of full value, or.....	\$2,000
Second 25 feet, 30 per cent of full value, or.....	1,500
Third 25 feet, 20 per cent of full value, or.....	1,000
Fourth 25 feet, 10 per cent of full value, or.....	500
Total.....	\$5,000

A convenient rule for determining the value of lots of greater depth than 100 feet follows:

- For the first 25 feet beyond 100 feet, add 9 per cent.
- For the second 25 feet beyond 100 feet, add 8 per cent.
- For the third 25 feet beyond 100 feet, add 7 per cent.
- For the fourth 25 feet beyond 100 feet, add 6 per cent.

The above rule for depth value may well apply in all instances except in the case of a corner lot. In that instance, the additional depth would probably be considered as a separate lot fronting on the side street and valued according to the front foot value determined for the side street.

Residence Lots of Varying Depth

Residence lots are usually deeper than business lots, but, like business lots, depths vary in different cities and sometimes in different sections of the same city. A convenient standard or unit of size is 60x150 feet.

In residence property the front foot factor is not relatively as important in determining value as it is in business property, while depth may be quite as important, and even more so relatively, than in business property. A lot 40x50 feet would not be of desirable size for residence purposes, while a lot of

similar dimensions might be quite as desirable for certain business purposes as a deeper lot.

Surface levels are many times not as uniform in residence as in business districts. Surface conditions in relation to street level and the topography of the district should therefore be carefully considered in valuing residence property.

The following rule is used in some cities in determining the relative value of residence lots of less depth than a standard lot 150 feet deep.

Assuming a lot 60 feet wide and 150 feet deep to be worth \$20 per front foot, or \$1,200, the following percentages may be applied to shorter lots:

If 100 feet deep, 75 per cent of full value, or \$	900.
If 110 feet deep, 82 per cent of full value, or	984.
If 120 feet deep, 88 per cent of full value, or	1,056.
If 130 feet deep, 93 per cent of full value, or	1,116.
If 140 feet deep, 97 per cent of full value, or	1,164.
If 150 feet deep, 100 per cent of full value, or	1,200.

If the lot is more than 150 feet deep add 6 per cent for the first 25 feet additional and 4 per cent for the second 25 feet except in the case of a corner lot, where the additional depth would probably be considered a separate lot with an individual value.

Corner Influence

Property located on a corner is worth more than property not so located. The reason for this is that the corner gives improved access, better light and air, and in business sections, added facilities for advertising, etc. Corner influence will be discussed under two heads; first, as it affects mercantile property, and, second, as it affects residential property.

Although there have been many rules formulated for measuring corner influence in fixing the valuation of business property, the following rule, which is not complicated and is easily worked and remembered is suggested as practical for most of the cities and towns in Iowa. The modified rule, briefly stated, is: Corner influence shall be measured by the addition of the product of the side street front foot value \times the width of the standard business lot (40 feet) to the regular main street valuation on a front foot basis in the ratio of 4-3-2-1.

The accompanying illustration shows how this rule would work:

Example: Given a lot facing 40 feet on the main street with a value of \$500 per foot and having a length of 100 feet on the side street. The side street value is \$100 per foot. The rule is then applied as follows: $40 \times \$500 = \$20,000$. 40 feet (width of lot) \times \$100 (side street value) $= \$4,000 \times 40$ per cent $= \$1,600$. $\$20,000$ (front foot value) $+ \$1,600$ (side street value)

SIDE STREET

FRONT FOOT VALUE, \$100 per foot
 40 x \$100=\$4,000 Total Value
 of corner influence

100 ft.

$40 \times \$ 500 = \$20,000$ $40\% \times \$4,000 = \underline{1,600}$ Cor. Infl. Total value.....\$21,600	LOT "A"	40 ft.	MAIN STREET Front Foot Value \$500 per foot, or \$20,000 for each 40-ft. front.
$40 \times \$ 500 = \$20,000$ $30\% \times \$4,000 = \underline{1,200}$ Cor. Infl. Total value.....\$21,200	LOT "B"	40 ft.	
$40 \times \$ 500 = \$20,000$ $20\% \times \$4,000 = \underline{800}$ Cor. Infl. Total value.....\$20,800	LOT "C"	40 ft.	
$40 \times \$ 500 = \$20,000$ $10\% \times \$4,000 = \underline{400}$ Cor. Infl. Total value.....\$20,400	LOT "D"	40 ft.	

Illustration Showing Corner Influence on Valuation

= \$21,600. Corner influence on the first lot is then \$1,600. On the second 40 foot front on the main street, \$20,000 would still be the frontage value and to this would be added 30 per cent of the corner influence value, or \$1,200, which is 30 per cent of \$4,000, making a total value of \$21,200. On the third 40 feet of frontage on the main street would be added 20 per cent of the total corner influence value of \$4,000, or \$800, making the valuation for the third lot \$20,800. On the fourth lot, 10 per cent of the total of corner influence, or \$400, would be added, making a valuation of \$20,400.

There are many other methods of figuring corner influence values on business property and in many towns and cities assessors have worked out systems that meet the individual problems of that particular taxing district. The foregoing rule is one that is simple, workable, and will result in uniformity of assessment. It does not add the maximum load to corner property which already bears a heavy tax burden in the form of special improvement assessments, but it does

take into consideration some extra value due to corner location and it is fair and equitable.

Corner Influence in Residence Property

A residential corner lot has additional value over its neighboring inside lots on account of additional light and ventilation, better view, and its adaptability to less stereotyped structures. In measuring corner influence in residential lots it is suggested that such measure of value should be based on local data available to the assessor through his knowledge of his own community, but where a front foot value is established, then the modified 4-3-2-1 rule could be used in making the valuation.

Building Values

It is difficult to establish standard tables for the appraisal of buildings because of wide variations in types and character of construction. Yet, rather than apply arbitrary judgment to each building, an assessor should have some formula or rule by which to appraise building values, but it should be sufficiently flexible to care for variations in types and character of construction. The unit value per cubic foot is the rule most generally used. This measure is based on the cost of the building new, with proper depreciation allowances for age and condition of the structure.

The following table of construction costs per cubic foot content of a building depending on classification is based on the present average cost of material used and labor employed in constructing buildings of various types. The unit cost per cubic foot is sufficiently flexible to care for the varying costs of material and labor in different cities as well as the differences in character of construction of the same type of building.

TABLE OF CUBIC FT. VALUATION AND CLASSIFICATION FOR BUILDINGS

Dwellings

	Value Per Cubic Foot
CLASS A. Full basement with cement floors, laundry, hot water or furnace heat, modern plumbing, bathroom, electricity or gas, some built-in features and fireplace, hardwood finish and floors, good construction:	
Pressed brick or stone.....	35 to 50 cts.
Brick veneer or hollow tile.....	32 to 42 cts.
Brick and stucco.....	30 to 40 cts.
Common brick or stucco.....	25 to 35 cts.
Frame.....	25 to 35 cts.

CLASS B. Full basement, laundry, furnace heat, old style plumbing, bathroom, electricity, softwood finish, no fireplace, plain trim but fairly well finished and substantial:

Brick veneer or hollow tile.....	30 to 40 cts.
Brick and stucco.....	28 to 38 cts.
Common brick or stucco.....	26 to 35 cts.
Frame	21 to 27 cts.

CLASS C. Part Basement, no laundry, furnace heat, old style plumbing, bathroom, softwood finish, plain and cheap construction:

Common brick or stucco.....	18 to 25 cts.
Frame	17 to 22 cts.

CLASS D. Post or block foundation, part basement, stove heat, no bath or modern improvements, plain and inferior construction:

Common brick or stucco.....	17 to 25 cts.
Frame	15 to 20 cts.

DUPLEX. Modern, two heating plants:

Brick	25 to 35 cts.
Frame	21 to 32 cts.

FLATS. Modern, hot water, steam or hot air heat:

Brick	25 to 35 cts.
Frame	21 to 32 cts.

APARTMENTS. First class:

Brick	27 to 35 cts.
Frame	25 to 33 cts.

THEATRES. Modern:

20 to 35 cts.

STORES. (With well finished rooms above):

Brick	25 to 30 cts.
Frame	22 to 28 cts.

STORES:

Brick	18 to 25 cts.
Frame	16 to 23 cts.

OFFICE BUILDINGS: Hotels, etc.....

32 to 40 cts.

GARAGES. Modern:

Brick or tile, concrete footings, heated.....	15 to 20 cts.
Frame, concrete footings, heated	13 to 18 cts.

GARAGES:

Frame or hollow tile, no heat or other improvements..... 8 to 15 cts.

Method of Finding Cubic Content of Buildings

If equality of assessments is to result, it is evident that all assessors must work according to the same or similar rules. Since building valuations are to be based on reconstruction cost per cubic foot content of the building, it is then necessary that all use the same methods in determining the cubic content of the building. The accompanying illustrations, with ac-

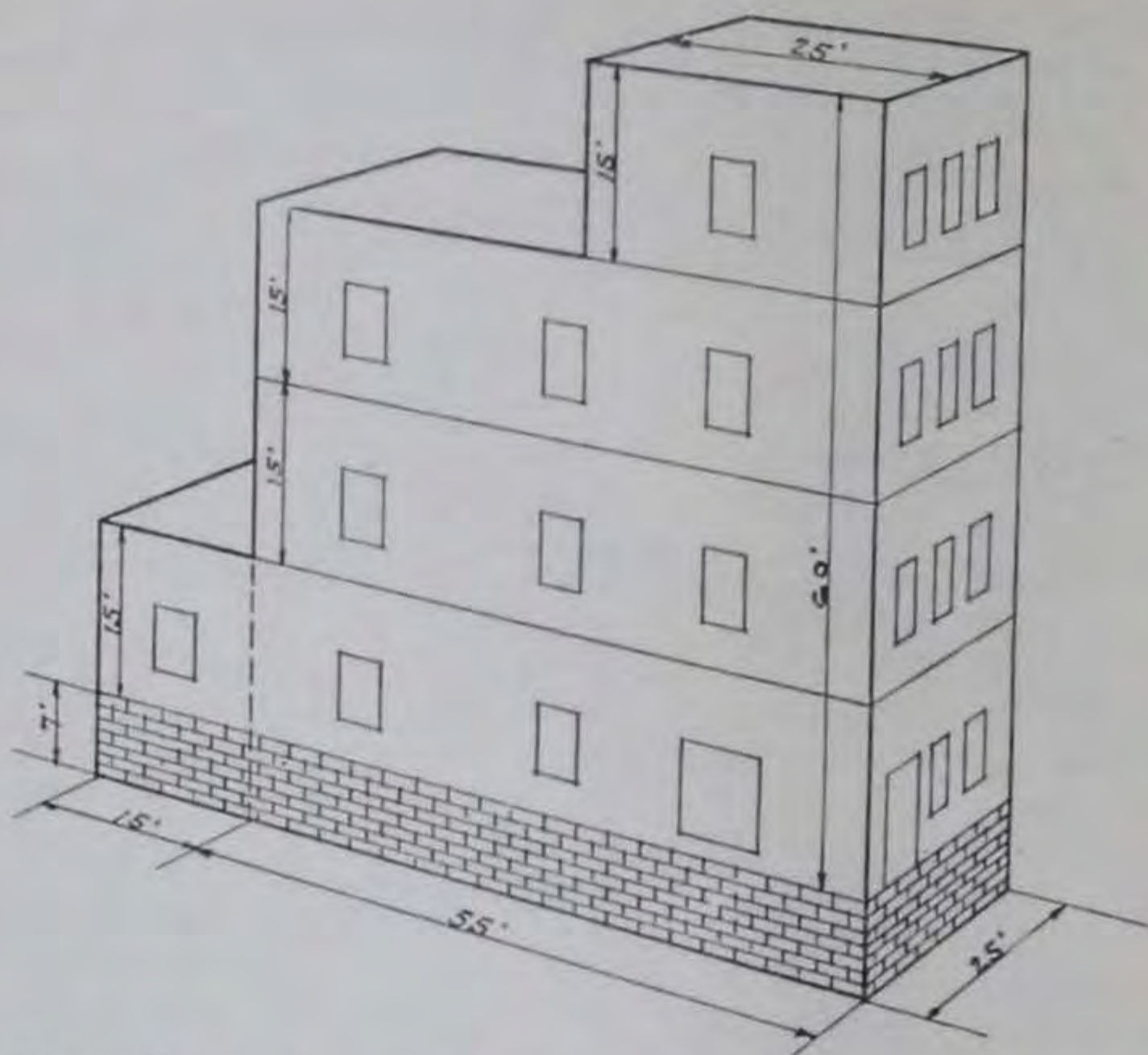


Figure No. 1. Irregular Height Building, Showing Method of Cubing Same.

companying explanations, will demonstrate the methods of finding the cubic content of buildings recommended by the State Board of Assessment and Review.

To illustrate, Figure 1 shows a business building of irregular height. To obtain the cubic foot content of this building the following measurements are used:

Basement and First Story

25 feet wide \times 70 feet long \times 22 feet high = 38,500 cu. ft.

Second and Third Story

25 feet wide \times 55 feet long \times 30 feet high = 41,250 cu. ft.

Fourth Story

25 feet wide \times 25 feet long \times 15 feet high = 9,375 cu. ft.

Total.....89,125 cu. ft.

Figure 2 illustrates a triangular structure of uniform height. The cubic foot content of this building would be determined as follows: The building is first figured as though it were square:

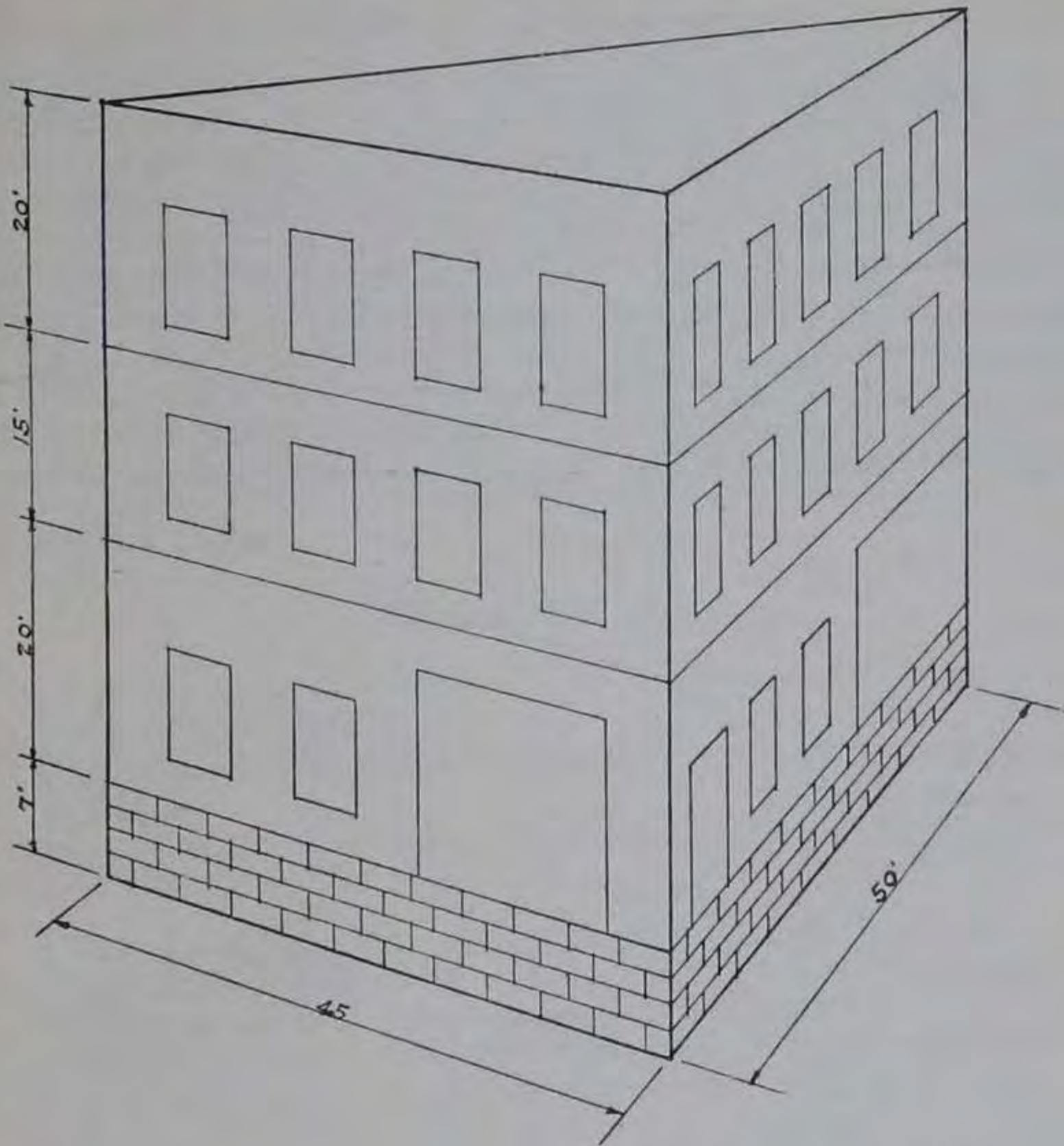


Figure No. 2. Triangular Building, Showing Method of Cubing Same.

Length 50 feet \times width 45 feet \times height 62 feet = 139,500 cu. ft.

Then, since the building is a triangle, or one-half a square, this total is divided by 2, leaving 69,750 cu. ft. as the content of the building.

Figure 3 illustrates a one-story house with basement. The cubic foot content of this structure is determined as follows:

Width 24 feet \times length 30 feet \times height 22 feet = 15,840 cu. ft.

It will be seen that in residence property, as demonstrated here, the height of the building is taken as the distance from the bottom of the basement to the eaves plus one-half the roof height. In both residence and commercial property the height is figured from the bottom of the basement.

Depreciation and Obsolescence

It is difficult, if not impossible, to formulate a rule that would accurately measure depreciation. So many different factors enter into the element of depreciation that at least each group, and sometimes each building, must be given separate consideration. The age of a building does not in itself determine depreciation. Some comparatively old buildings will show less actual depreciation than buildings more recently constructed. This is due in part to better construction, and in part to more efficient care or upkeep of the building.

In some cases not only depreciation due to age must be considered, but depreciation known as structural obsolescence

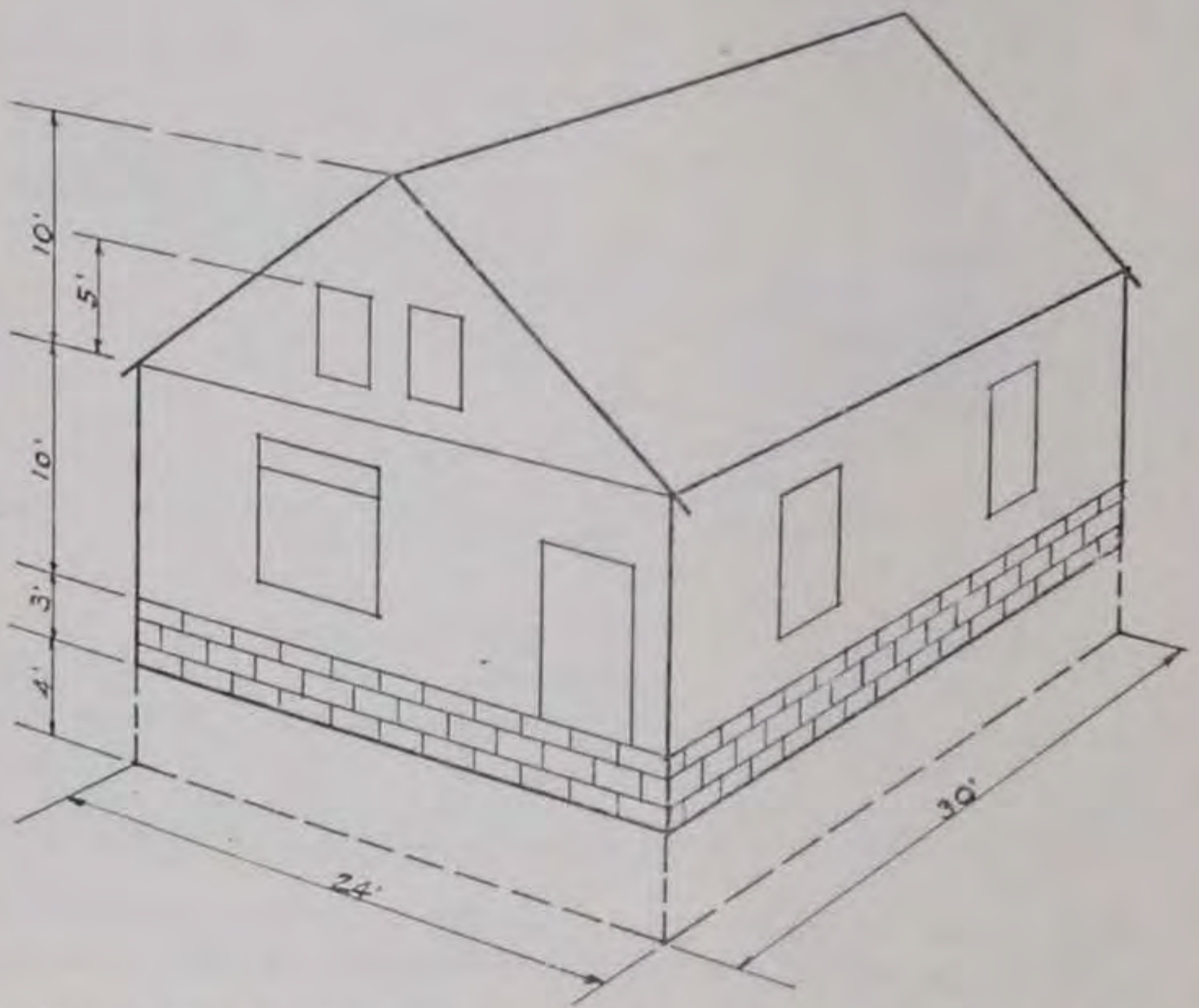


Figure No. 3. Ordinary House, Hip Roof, Showing Method of Cubing Same.

must also be given consideration. Structural obsolescence may be described as depreciation due to changing requirements in buildings, and changing architecture and methods of construction. A building originally suitable for the purpose for which built may now be out of date or does not fully meet present requirements.

Still another element of depreciation found in some cities, and known as local obsolescence, should also be considered. This is depreciation due to the changing character of neigh-

borhoods, to changing business or residence centers or to the encroachment of business districts on residence districts. A building entirely suitable to its location when built may be no longer so because of changed conditions or surroundings. A residence standing in the midst of business buildings would have but small selling value. A building must be suitable to the site and the assessor, therefore, should make due allowances for such obsolescence.

While no rule has or could be formulated for measuring depreciation due to structural or local obsolescence, numerous tables of different percentages have been prepared for measuring annual depreciation due to the age and physical conditions of buildings. The following is fairly representative of these numerous tables.

Depreciation Table

Character of Construction	Condition		
	Good	Fair	Poor
Brick, stone, brick veneer on tile, hollow tile	1 %	1½ %	2 %
Brick and stucco combined, all stucco	1¼ %	1¾ %	2½ %
Frame	1½ %	2 %	3 %

After a building has been depreciated 75 per cent, no further allowance is made as long as it is usable.

The above table represents only an average, and should not be considered as a fixed rule which cannot be altered to meet the individual case. If, when a building was constructed it should be allowed to stand without further care or repair, then a fixed, unchanging percentage of annual depreciation might be determined. Such, however, is not usually the case. At the same time that depreciation, due to age and wear and tear of use is taking place an offset, or APPRECIATION, due to repairs and upkeep, is generally in progress. Thus, a building that might on the basis of age alone, be entitled to a depreciation of 50 per cent, because of improvements and repairs may be only entitled to a final depreciation of 20, 25, or 30 per cent. No matter what rules are formulated, in the final analysis none can take the place of the good judgment of the assessor in ascertaining the present worth of the building.

Life of Buildings

The following estimate of the structural life of buildings may be of interest to assessors:

Cheap detached frame residences	30 to 40 years
Good detached frame residences	40 to 60 years
Ordinary brick residences	50 to 75 years
Good brick and stone residences	100 to 150 years

Frame tenements	25 to	35 years
Brick tenements and flats.....	40 to	50 years
Good apartment houses.....	50 to	75 years
Cheap brick stores and shops.....	40 to	50 years
Ordinary brick stores and shops.....	50 to	75 years
Good brick and stone stores and offices....	75 to	100 years

The foregoing suggestions are intended as guides to assessors in their difficult task of making an equitable assessment, and not as definite rules to be followed in every case. Intelligent consideration of every factor affecting values must in the end be the controlling element in the appraisal of all real estate. In the assessment of property there is no substitute for good judgment, intelligently applied. No public officer is called upon to exercise sound, honest and discriminating judgment more frequently, or to a greater degree, in the discharge of his official duties, than the assessor.

CHAPTER IV

THE ASSESSMENT OF PERSONAL PROPERTY

Under the tax laws of Iowa the assessor is required to list and assess all property, real or personal, tangible and intangible unless specifically exempted from taxation by statute. This means that it is of no less importance that the assessor secure a complete and equitable assessment of personal property than that he make a complete and equitable listing of real estate. And, since personal property is not carried forward on the tax lists unless listed anew each year it is of the utmost importance that the assessor never relax his diligence in seeking out all personal property, Moneys and Credits, etc., in his tax district and placing it on the assessment rolls.

Under our present system of taxation in Iowa, real estate bears the brunt of taxation. This is true, first, because our present tax laws are so formulated, and, second, because real estate is tangible, cannot be moved and cannot be concealed while personal property, moneys and credits, etc., are not so easily discovered. Irrespective of what relief from taxation can be brought to real estate through the alteration of our present taxing system, a large measure of relief can and should be afforded real estate through the strict application of existing laws providing for the assessment of personal property.

It is generally agreed that the personal property, money and credits, etc., of Iowa are about equal in value to the real estate. However, the assessed value of real estate is approximately ten times the assessed value of personal property. This means that about 90 per cent of the personal property of the state is escaping taxation. It can readily be seen how great the relief to real estate would be if the remainder of this personal property were placed on the tax lists.

In the early days of the state, when nearly every resident was the owner of real estate it made little difference if the personal property was assessed or not. Today, however, with hundreds of thousands of residents, all of whom enjoy the benefits of government—schools, roads, etc., who do not own real property but are the owners of large amounts of personal and intangible property, it is evident that no just and equitable distribution of the tax burden can be effected unless personal and intangible property take their just place in assuming the tax load. This can be done only through the assessor, whose clear duty it is to seek out, value and list all personal property in his district unless specifically exempted from taxation. In this way, great progress toward equality in taxation will have

been made; real estate will have been brought some considerable measure of relief and Smith will no longer be paying Jones' tax. No good assessor will place real estate on the assessment roll and ignore personal property any more than he would seek out and assess all horses and omit all cattle from assessment.

Personally View and Value

In the assessment of personal property, no less than the assessment of real estate, it is essential that the assessor have first hand information regarding the property to be placed on the rolls. Inspect the property! In no other way can a proper valuation be made. Having found the property it should be assessed on the same basis as real estate.

Uniformity Essential

Obviously, uniformity of methods and values is as essential in the assessment of personal property as in the assessment of real estate. In the past, assessors in a part of the cities and towns of the state have made an effort to secure an adequate listing of personal property, while in others, practically no effort has been made. In some counties, for example, all radios have been listed and assessed, while in others they have been almost entirely ignored. Clearly, this is unfair. What is assessable in one county, town or city is surely equally subject to taxation in all other parts of the state. No taxing district is a law unto itself in matters of taxation and it is the purpose and duty of the State Board of Assessment and Review to so supervise assessment practices that equality, not alone between individuals, but between districts and counties, be established.

Live Stock

As an assistance to the assessor, the State Board of Assessment and Review annually prepares, in advance of the assessment period, a suggested schedule of AVERAGE values on live stock. This list of suggested values is prepared after consultation with assessors, live stock experts and others having first-hand information as to market values. It is sent out under separate cover and will reach each assessor before the assessment period starts. The list prepared by the Board is one of AVERAGE values and applies only to the average animal. Better or poorer grades should be valued above or below this general average as the case may be. It is not intended that this schedule be expressly followed, but it is offered as a guide and assistance to the assessor.

For example, the suggested average value for cows may be \$30 per head. This does not mean, however, that an exceptionally fine animal should be assessed at \$30. That particular

cow may be worth twice as much as the average animal, and, if so, should be assessed at \$60 rather than \$30. The opposite condition might as well obtain. In that instance, if the cow assessed was worth less than the average, it should be assessed for an amount less than \$30.

Any Other Personal Property

It is clearly impossible to specifically list all possible kinds of personal property on the assessment roll. For that reason the roll includes the general caption "Any Other Personal Property Not Listed Above." It is quite as impossible to list here all the property that comes under this heading, but any personal property not listed may be included under this classification.

Supplementary Blanks

To assist assessors in securing a complete and accurate listing of personal property, supplementary blanks for merchants calling for complete information concerning stocks of goods, fixtures and equipment have been prepared. Also, special blanks for oil companies have been formulated. These blanks are furnished by the county auditor and will provide material assistance in securing the information necessary for a fair and equitable assessment. Too, they provide a safeguard to the individual assessed, since they assure him of the same treatment as given all other owners of the same class of property.

Laws Relating to the Assessment of Personal Property **What taxable.**

6953. All other property, real or personal, is subject to taxation in the manner prescribed, and this section is also intended to embrace:

1. Ferry franchises and toll bridges, which, for the purpose of this chapter are considered real property.
2. Horses, cattle, mules and asses over one year of age.
3. Sheep and swine over nine months of age.
4. Money whether in possession or on deposit.
5. Credits, including bank bills, government currency, property or labor due from solvent debtors on contract or judgment, mortgages or other like securities, bills receivable.
6. Property situated in this state belonging to any bank or company, incorporated or otherwise, whether incorporated in this or any other state.

7. Corporation shares or stocks not otherwise assessed or excepted.

8. Public or municipal bonds, stocks or loans, except as otherwise provided.

9. Household furniture, beds, and bedding made use of in hotels and boarding houses and not hereinbefore exempted.

10. Gold and silver plate, watches, jewelry, and musical instruments.

11. Every description of vehicle, including bicycles, except as otherwise provided.

12. Threshing machines.

13. Boats and vessels of every description, wherever registered or licensed, and whether navigating the waters of the state or not, if owned either wholly or in part by inhabitants of this state, to the amount owned in this state.

1. **General rule.** It is the general rule that all property is subject to taxation except such as has been specifically exempted therefrom by the legislature. *Beers vs. Langenfeld*, 149-581; 128 NW 847.

2. **Property temporarily absent from state.** The temporary absence from this state of tangible personal property belonging to a corporation of this state, presents no obstacle to the taxation in this state of said property. *Capital Co. vs. City*, 211-1228; 235 NW 476.

Listing—by whom.

6956. Every inhabitant of this state, of full age and sound mind, shall list for the assessor all property subject to taxation in the state, of which he is the owner, or has the control or management, in the manner herein directed:

1. The property of one under disability, by the person having charge thereof.

2. The property of a married woman, by herself or husband.

3. The property of a beneficiary for whom the property is held in trust, by the trustee.

4. The personal property of a decedent, by the executor or administrator, or if there is none, by any person interested therein.

5. The property of a body corporate, company, society or partnership, by its principal accountant, officer, agent, or partner, as the assessor may demand.

6. Property under mortgage or lease is to be listed by and taxed to the mortgagor or lessor, unless listed by the mortgagee or lessee.

1. **Personal property, moneys and credits.** The owner is required to list his personal property, including moneys and credits, although it may be in the hands of an agent in another taxing district of the state. *German Trust Co. vs. Board*, 121-325; 96 NW 787.

Personal property—real estate—buildings.

6959. Property shall be taxed each year, and personal property shall be listed and assessed each year in the name of the owner thereof on the first day of January. Real estate shall be listed and valued in 1933 and every four years thereafter, and in each year in which real estate is not regularly assessed, the assessor shall list and assess any real property not included in the previous assessment, and also any buildings erected since the previous assessment, with a minute of the tract or lot of land whereon the same are situated, and the auditor shall thereupon enter the taxable value of such buildings on the tax list as a part of the real estate to be taxed; but if such buildings are erected by another than the owner of the real estate, they shall be listed and assessed to the owner as personal property, but buildings and fixtures erected on real estate held under a lease of longer than three years' duration shall be assessed as real estate.

Shale may be personal property or real estate, depending upon intention of owner. *Opinion of the Attorney General*, 1927, p. 254.

Nursery stock should be assessed for taxation when growing on land as part of the land; when growing in containers separated from the land as personal property. *Opinion of the Attorney General*, 1930, p. 118.

1. **Ownership subsequent to January first.** A tax based upon an assessment of personal property to the person owning the same at the time of assessment, but who did not own it on January first preceding, is illegal and its collection may be enjoined. Personal property brought into the state after January first is not taxable for that year. *Wangler vs. Black Hawk Co.*, 56-384; 9 NW 314.

2. **Ownership subsequent to January first.** A person should not be assessed for any year upon personal property not owned by him on the first day of January of such year. *Tackaberry vs. Keokuk*, 32-155.

3. **January first standard date.** Assessments of personal property relate back to the first of January previous. *In re Kauffman's Estate*, 104-639; 74 NW 8.

"Owner" defined.

6964. Commission merchants, and all persons, other than warehousemen as defined in Section 9718 of the code, trading and dealing on commission, and assignees authorized to sell, and persons having in their possession property belonging to another subject to taxation in the assessment district where said property is found, when the owner of the goods does not reside in the county, are, for the purpose of taxation, to be deemed the owners of the property in their possession.

1. **Transfer company.** A transfer company to which property has been consigned by an owner out of the state and which is held by it

for the purposes of delivery and shipment under the owner's orders is subject to taxation for such property. *Merchants Trans. Co. vs. Board*, 128-732; 105 NW 211.

2. **Referee in partition.** A referee in partition is not so related to the property as to be taxable therefor. *In re Assessment of Boyd*, 138-583; 116 NW 700.

Grain, ice, and coal dealers.

6965. Each grain, ice, or coal dealer shall be assessed upon the average amount of capital used by him in conducting his business. In estimating the amount of capital so used, there shall be taken into consideration the increase and decrease of the value of grain held in store, and upon the value of his warehouses, ice houses, granaries, or cribs situated upon lands leased from railway companies or other persons, and upon the value, if any, of such leasehold interest.

Such assessment shall be listed as personal property. In determining the average amount of capital invested the assessor shall take into consideration the entire year's business prior to January first, next preceding the assessment period.

Grain purchased by branch elevators should be assessed in accordance with Section 6965 and branch elevators' grain stored in warehouse should be reported by warehouseman in accordance with section 6973. Opinion of the Attorney General, 1930, p. 63.

Business in different districts.

6966. When a person, firm, or corporation is doing business in more than one assessment district, the property and credits existing in any one of such districts, or arising from business done in such district, shall be listed and taxed in that district, and the credits not existing in or pertaining especially to the business in any district shall be listed and taxed in that district where the principal place of business may be.

1. Applicability of section. *Dean vs. Solon*, 97-303; 66 NW 182.

2. Place of taxation—business in different districts. A corporation is not "doing business in more than one assessment district" simply because it keeps some of its corporate records, books and accounts in a taxing district other than the one which embraces its corporate principal place of business. *Iowa Co. vs. Cook*, 211-534; 233 NW 682.

"Merchants" defined.

6971. Any person, firm, or corporation owning or having in his possession or under his control within the state, with authority to sell the same, any personal property purchased with a view to its being sold, or which has been consigned to him from any place out of this state to be sold within the same, or to be delivered or shipped by him within or without this state, except a warehouseman as defined in section 9178 of the code, shall be held to be a merchant for the purposes of this title.

1. **Pork packer.** *McConn vs. Roberts*, 25-152.
2. **Stock for fattening purposes.** One who purchases stock with a view of fattening and reselling is not a merchant and should be assessed on the stock owned by him on the first of January. *Jewell vs. Board*, 113-47; 84 NW 973.
3. **Consignment to transfer company.** One to whom property has been assigned and transferred by a nonresident owner for the purpose of being held subject to disposal at the order of the owner, is taxable for such property. *Merchants' Trans. Co. vs. Board*, 128-732; 105 NW 211.

Stocks of merchandise.

6972. In assessing such stocks of merchandise, the assessor shall require the production of the last inventory and enter the date thereof in the assessment roll. If, in the judgment of the assessor, the inventory is not correct, or if it was taken at such time as to render it unreliable as to the amount or value of such merchandise, he shall assess the same by personal examination. The assessment shall be made at the average value of the stock during the year next preceding the time of assessment, and if the merchant has not been engaged in business for one year, then the average value during such time as he shall have been so engaged, and if commencing on January first, then the value at that time.

Cooperative creamery falls within definition of manufacturer for assessment purposes. Opinion of the Attorney General, 1928, p. 324.

Manufacturer taxed as individual on real estate, personal property not used in manufacturing, moneys and credits and machinery; personal property used in process of manufacturing, etc., assessed at average value under Section 6972. Opinion of the Attorney General, 1927, p. 65.

1. **Average value.** The assessable value of merchandise is not its value on January first, but its average value during the year. *Larson vs. Hamilton Co.*, 123-485; 99 NW 133.

2. **Void assessment.** An assessment on the corporate stock of a merchant corporation (instead of on the stock of merchandise) is void and, necessarily, is not a charge on the funds of the corporation in the hands of a receiver. *Union Petroleum Co. vs. Indian Petroleum Co.*, 192-1373; 186 NW 439.

3. **Power of treasurer—review.** Whether it is within the jurisdiction of the county treasurer to review an assessment determining the liability of property to taxation and hold that a corporation should be taxed under this section rather than under the provisions of Section 7008, his action in doing so is not without jurisdiction and cannot be controlled by mandamus. *Woodbury Co. vs. Talley*, 147-498; 123 NW 746.

Warehouseman to file list.

6973. A warehouseman as specified in section 6971 shall, upon request, file with the assessor of the township or municipality wherein his warehouse is situated, a written statement showing all property in his possession belonging to

another subject to taxation, and the name and address of the person, firm, corporation, or estate to which it belongs.

The word "warehouseman" means a person lawfully engaged in the business of storing goods for profit. Section 9718 of the Code.

Warehouseman deemed owner.

6974. If said warehouseman fails to furnish such statement all property in the possession of the warehouseman belonging to another subject to taxation, shall be deemed to be owned by the warehouseman for the purpose of taxation, and he shall be liable for taxes thereon.

"Manufacturer" defined—duty to list.

6975. Any person, firm, or corporation who purchases, receives, or holds personal property of any description for the purpose of adding to the value thereof by any process of manufacturing, refining, purifying, combining of different materials, or by the packing of meats, with a view to selling the same for gain or profit, shall be deemed a manufacturer for the purposes of this title, and shall list such property for taxation.

1. **Scope of section.** This section has reference only to domestic corporations, and shares of stock in a foreign manufacturing corporation held by residents of this state are to be taxed without regard to these provisions. *Morril vs. Bentley*, 150-677; 130 NW 734.

2. **"Manufacturer" defined.** An Iowa corporation which is engaged in the production, manufacture, and sale of lumber and kindred commodities is a "manufacturer," and, therefore, is not taxable on its shares of stock, even though all of its property is located outside the state. *Bennett vs. Finkbine Lbr. Co.*, 199-1085; 198 NW 1.

3. **Manufacture of sewer tile.** A company manufacturing and selling sewer pipe and drain tile is a manufacturer within the provisions of this section. *Appeal of Iowa P. and T. Co.*, 101-170; 70 NW 115.

4. **Blaster and crusher of stone.** One who blasts stone from a quarry and breaks it into merchantable size and sells such resulting product, is not a manufacturer within the taxation statute. *Iowa Co. vs. Cook*, 211-534; 233 NW 682.

5. **Constructing paving not "manufacturing."** One who combines different materials and spreads the resulting product upon public highways as permanent paving is not a "manufacturer" within the meaning of the taxation statute, said statute not embracing constructions which become a permanent part of the realty. *In re Koss*, 214-125; 214 NW 495.

6. **Printing.** Job printing and printing and publishing books is generally held to be manufacturing, but there is considerable conflict in the decisions as to whether printing and publishing a magazine is manufacturing. See *Cooley on Taxation*, Sec. 762, p. 1578.

7. **Newspaper and book publishing company.** A company incorporated for the purpose of printing and publishing books, and general job printing, and publishing a newspaper, is a manufacturing company with respect to its business of printing books and job printing, but

with respect to its business of printing and publishing a newspaper, it is not a manufacturing company. *Press Printing Co. vs. Board*, 16 Atlantic Rep. 173. *Asso. vs. Board*, 47 NJ Law, 36.

8. **Newspaper publishers are manufacturers.** The making of newspapers is a business, and in the process machinery and extensive manual labor and larger quantities of physical and raw materials are placed in new combinations, and the newspaper when made is a new distinct article of commerce, sold by the makers thereof, directly to dealers and consumers. *State vs. Dupre*, 7 South. Rep. 727.

Assessment—how made.

6976. Such personal property, whether in a finished or unfinished state, shall be assessed at its average value estimated upon those materials only which enter into the combination, manufacture, or pack, such average to be ascertained as in Section 6972.

Creamery to be taxed on butter and butter fat as manufacturer. Opinion of the Attorney General, 1927, p. 63.

1. **Property taxable.** The property taxable under this section is such only as is held for the purpose of adding to the value thereof by the process of manufacturing and with a view to a gain or profit by such manufacture and the sale thereof. Such things as do not become a part of the commodity when ready for sale are excluded. *Dean vs. Solon*, 97-303; 66 NW 182.

Machinery deemed real estate.

6977. Machinery used in manufacturing establishments, shall, for the purpose of taxation, be regarded as real estate.

1. Statute exempts from capital stock tax manufacturers of personal property for sale, not builders of permanent structures constituting part of realty. In *re Koss Const. Co.*, 241 NW 495.

2. Corporation engaged in business of building permanent concrete pavements held not "manufacturer" exempt from capital stock tax. In *re Koss Const. Co.*, 241 NW 495.

Manufacturer to list.

6978. Corporations organized under the laws of this state for pecuniary profit and engaged in manufacturing as defined in Section 6975, shall list their real estate, personal property not hereinbefore mentioned, and moneys and credits in the same manner as is required of individuals.

CHAPTER V

THE ASSESSMENT OF MONEYS AND CREDITS

Moneys and credits, including corporation shares and stock except as otherwise provided, as classified under section 6985 of the code, are assessable in Iowa at actual value, and are taxed on the uniform basis throughout the state of five mills on the dollar. In addition to the five mill levy, until the soldiers' bonus bonds are retired and paid there is an additional tax of one mill on the dollar, making a total tax payable on moneys and credits of six mills on the dollar, or six dollars on every thousand dollars of actual valuation. This is so small a tax that no owner can afford to be dishonest and fail to make a fair and honest return of this type of property to the assessor. At the same time, since the tax on this type of property is so low, every assessor should exert all his effort to bring in a complete return of such intangible property.

Every dollar raised from the taxation of moneys and credits brings just that measure of relief to real estate which is now forced to bear the greater portion of the tax load.

Must Be Assessed Each Year

Like personal property, assessments of moneys and credits are not carried forward on the tax books from year to year, and in order that they bear their fair share of the tax load they must be assessed anew each year. While this class of property is probably the most difficult to discover, since it is intangible and therefore easily concealed, yet application of the same care that is given to the assessment of personal property will result in the discovery and assessment of a great deal of property that is now escaping taxation.

Debts Deductible

Moneys and credits, and stock or shares of foreign corporations, which for assessment purposes are treated as moneys and credits, are, as stated before, assessable at full or actual value. From the actual value of moneys and credits the owner is allowed to deduct debts owed by him, provided, however, that he must list with the assessor the names of the persons to whom these debts are owed. From the total value of corporation shares or stocks listed as moneys and credits, however, there can be no deduction for indebtedness.

Laws Relating to the Assessment of Moneys and Credits**Listing—by whom.**

6956. Every inhabitant of this state, of full age and sound

mind, shall list for the assessor all property subject to taxation in the state, of which he is the owner, or has the control or management, in the manner herein directed:

1. The property of one under disability, by the person having charge thereof.

2. The property of a married woman, by herself or husband.

3. The property of a beneficiary for whom the property is held in trust, by the trustee.

4. The personal property of a decedent, by the executor or administrator, or if there is none, by any person interested therein.

5. The property of a body corporate, company, society or partnership, by its principal accountant, officer, agent, or partner, as the assessor may demand.

6. Property under mortgage or lease is to be listed by and taxed to the mortgagor or lessor unless listed by the mortgagee or lessee.

Trustee resident of this state must list trust funds. Opinion of the Attorney General, 1927, pp. 177, 190.

Defunct bank is assessed as of its condition on January 1st. Opinion of the Attorney General, 1927, p. 225.

Moneys and credits in hands of executor for investment listed where executor lives. Opinion of the Attorney General, 1929, p. 104.

1. **Mortgages.** A mortgage itself is to be assessed as personal property to the mortgagee. *Davenport vs. Mississippi & M. R. Co.* 12-539.

2. **Purchaser under contract for deed.** Where a purchaser of real estate under contract for a deed takes possession thereof, he is liable for the taxes thereon, and on subsequently taking the deed cannot require the vendor to covenant against such taxes. *Miller vs. Corey*, 15-166.

3. **Personal property, moneys and credits.** The owner is required to list his personal property, including moneys and credits, although it may be in the hands of an agent in another taxing district of the state. *German Trust Co. vs. Board*, 121-325; 96 NW 878.

4. **Duty of taxpayer.** The duty of listing property for assessment is imposed upon the taxpayer and the act of the assessor in returning or failing to return property for assessment to the board of review is ministerial and not judicial. *Tally vs. Brown*, 146-360; 125 NW 248.

5. **Definition.** There is a distinction between the word "residence" and "domicile." A man may temporarily reside in one place and have his domicile or permanent home in another, and the word "inhabitant" means the permanent home as distinguished from mere residence. *Glutfelty vs. Brown*, 148 Iowa 124, *Cover vs. Hatton*, 136 Iowa 63, *Barhydt vs. Cross*, 156 Iowa 271. *Bonner vs. Reandrew*, 203-1355; 214 NW 536.

5-a. **Intent.** To gain legal residence, exercise of volition in its selection is involved, and once established, it continues until a new one is acquired. *Harris vs. Harris*, 205-108; 215 NW 661.

5-b. **Domicile.** In determining one's domicile the question is, where is his home to which he intends to return when absent, or when sick, or when his present engagement ends. *State vs. Savere*, 129 Iowa 122. *Taylor vs. Ind. Sch. Dist.*, 181 Iowa 544. *Sch. Dist. vs. Hendrickson*, 197 Iowa 191.

5-c. **Purchase of stock on margin.** The purchaser of corporation stock or bonds on margin is taxable on the market value thereof although he has not paid for it in full. *Putnam vs. Ford*, (Va.) 71 ALR 1217. *Contra*: See 193 Mass. 522.

Listing property of another.

6957. Any person required to list property belonging to another shall list it in the same county in which he would be required to list it if it were his own, except as herein otherwise directed; but he shall list it separately from his own, giving the assessor the name of the person or estate to which it belongs.

1. **Additional annotations.** See Sec. 6963.
2. **Nonresident owner.** Where personal property within a city is owned by a nonresident the officer or agent who has control thereof stands in the place of the owner, and its situs as to taxation unless otherwise prescribed, is his place of business. *Dubuque vs. Illinois C. R. Co.*, 39-56.
3. **Guardianship property.** The personal property of a ward is to be assessed in the county where his guardian lives although the ward has a legal residence in another county. *Hinkhouse vs. Wilton*, 94-254; 62 NW 782.
4. **Property of decedent.** Where the administrator is a resident of the same county where decedent died, but of another township, the personal property coming into possession of the administrator should be assessed in the township where the administrator resides. *Cameron vs. Burlington*, 56-320; 9 NW 239.
5. **Property of decedent.** Where there are two executors both having actual possession of personal property of the decedent and both residing in the same county but in different taxation districts each should return to the assessor of his district or township such personal property of decedent as may be in his immediate possession in such township. *Burns vs. McNally*, 90-432; 57 NW 908.

Agent personally liable.

6958. Any person acting as the agent of another, and having in his possession or under his control or management any money, notes, and credits, or personal property belonging to such other person, with a view to investing or loaning or in any other manner using or holding the same for pecuniary profit, for himself or the owner, shall be required to list the same at the real value, and such agent shall be personally liable for the tax on the same; and if he refuse to render the list or to swear to the same, the amount of such money, prop-

erty, notes, or credits may be listed and valued according to the best knowledge and judgment of the assessor.

Person in control of certificates of deposit must list for taxation. Opinion of the Attorney General, 1927, p. 185.

Trustee and permanent guardian of property is personally liable for the payment of taxes due on property in their possession. Opinion of the Attorney General, 1930, p. 283.

1. **Situs of agency property.** Although for some purposes the situs of moneys and credits is deemed to be where the owner resides, yet such property may be deemed within the state for the purpose of taxation and may be taxable as well as other kinds of personal property situated within the state under the control and management of an agent. *Hutchinson vs. Board*, 66-35; 23 NW 249.

2. **Proper listing.** Property may be listed to one as agent without giving the name of the person for whom he holds it. *Security S. Bank vs. Carroll*, 131-605; 109 NW 212.

3. **When agent liable.** No agent is liable to taxation for the property of another in his possession or under his control unless he holds that possession or is vested with that control for the particular purposes named in the statute. *German Tr. Co. vs. Board*, 121-325; 96 NW 878. *Heinz vs. Board*, 121-445; 96 NW 967.

4. **Death of principal.** Where funds are sent into this state and placed in the hands of an agent for investment so as to subject them to taxation, the death of the principal does not terminate the right to impose such tax. *In re Miller's Estate*, 116-446; 90 NW 89.

5. **Taxation in foreign state—effect.** The fact that the nonresident owner of property which is required to be listed by his agent in this state having possession and control thereof may also be taxed therefor in the state of his residence does not render the statutory provisions requiring listing by the agent unconstitutional. *Heinz vs. Board*, 121-445; 96 NW 967.

6. **Merchandise accounts belonging to nonresident.** This section does not authorize the taxation of ordinary current merchandise sale accounts held by an agent of a nonresident owner for collection and use in the merchandise business of such owner. *Crane Co. vs. City*, 208-164; 225 NW 344.

7. **Contracts by referee in partition.** Contracts for the sale of land made by a referee in partition, appointed by the court simply to sell and partition the proceeds among the owners, are not taxable; as they partake of the nature of the realty and do not become personalty until the proceeds come into the hands of the owner. *Assessment of Boyd*, 138 Iowa 583.

Place of listing.

6963. Moneys and credits, notes, bills, bonds, and corporate shares or stocks not otherwise assessed, shall be listed and assessed where the owner lives, except as otherwise provided, and except that, if personal property not consisting of moneys, credits, corporation or other shares of stock, or bonds, has been kept in another assessment district during the greater part of the year preceding the first of January, or of the portion of that period during which it was owned by the person

subject to taxation therefor, it shall be taxed where it has been so kept.

The power to fix property situs for taxation purposes as between different states or countries is more limited than the power to fix the place for taxation as between two or more taxing districts in the same state. Tangible personal property may acquire a taxable situs in a state other than the one where the owner is domiciled merely because it is located there. Its taxable situs is where it is more or less permanently located regardless of the domicile of the owner. The legislature, however, cannot fix the situs of property more or less permanently located in one state at the domicile of the owner in another state. But suppose tangible personal property is merely temporarily in a state, it cannot be taxed there for the reason that the protection afforded such property is merely temporary.—Editor's note.

1. **Additional annotations.** See under Section 6957.
2. **Residence of owner.** As a general rule personal property is taxed where the owner resides. *Ament vs. Humphrey*, 3 Gr. 255.
3. **Moneys and credits.** Moneys and credits are assessable and taxable at the place of the owner's residence and not elsewhere, and an assessment at another place is void. *Barber vs. Farr*, 54-57; 6 NW 134.
4. **Moneys and credits.** Choses in action are taxable to the owner at his domicile, and not elsewhere, unless the owner has himself given to the property a different situs. *Gilbertson vs. Olive*, 129-568; 105 NW 1002.
 - 4-a. **Business situs of choses in action.** There are decisions establishing the principle that there may be a "business situs" of debts as distinct from the domicile of the creditor. *State Board vs. Comptoir Nat.*, 191 US 388. *Metro. L. Ins. Co. vs. New Orleans*, 205 US 395.
5. **Moneys and credits.** A debt of which a note is evidence is subject to taxation where the creditor resides, although the note itself is deposited in another state for safekeeping. *Hunter vs. Board*, 33-376.
6. **Fact case as to situs.** Facts in a particular case as to domicile and residence held sufficient to show that the property of plaintiff was not assessable in the township where he was assessed. *Babcock vs. Board*, 65-110; NW 207.
7. **Foreign shares of stock.** Shares of stock in a foreign corporation owned by a resident of the state are not exempt from taxation in his hands, although the property of the corporation has been taxed in the state in which it is created. *Judy vs. Beckwith*, 137-24; 114 NW 565.
8. **"Intent" to change residence—effect.** Moneys and credits are to be listed and assessed where the owner lives,—that is, at the place of his residence; and residence having once been established continues until there is evidence of an abandonment. A mere intent to change a residence for the purpose of taxation only is ineffectual. *Cover vs. Hatten*, 136-63; 113 NW 470. See *Shirk vs. Board*, 137-230; 114 NW 884. *Glotfelty vs. Brown*, 148-124; 126 NW 797.

"Credits" defined.

6984. The term credit, as used in this chapter, includes every claim or demand due or to become due for money, labor, or other valuable thing, every annuity or sum of money receivable at stated periods, and all money or property of any kind secured by deed, title bond, mortgage, or otherwise; but pensions of the United States or any of them, or salaries, or pay-

ments expected for services to be rendered, are not included in the above term.

Loan value of a life insurance policy is not taxable. Opinion of the Attorney General, 1927, p. 68.

Shares of interest in a revocable trust held by an Iowa resident are taxable under the laws of this state as moneys and credits. Opinion of the Attorney General, 1930, p. 180.

1. **Additional annotations.** See under Section 6953.

2. **Terms defined.** The word "due" as employed in this section does not have reference to the time of payment or fulfillment of an obligation, but is synonymous with "owing." Tally vs. Brown, 146-360; 125 NW 248.

3. **Corporate stock as credit.** First Nat. Bank vs. Albia, 85-736; 52 NW 333. See Morrill vs. Bentley, 150-677; 130 NW 734.

4. **Deferred payments as credit.** Cross vs. Snakenberg, 126-636; 102 NW 508.

4-a. The purchaser of corporation stock or bonds on margin is taxable on the market value thereof, although he has not paid for it in full. Putnam vs. Ford, 71 ALR 1217.

5. **Contract for conveyance as credit.** Clark vs. Horn, 122-375; 98 NW 148.

6. **Enforceable contract of sale as credit.** In re Assessment of Boyd, 138-583; 116 NW 700. Rampton vs. Dobson, 156-315; 136 NW 682.

7. **Unadjusted fire loss as credit.** Tally vs. Brown, 146-360; 125 NW 248.

8. **"Option" to purchase not credit.** Schoonover vs. Petcina, 126-261; 100 NW 490. In re Shields Bros., 134-559; 111 NW 963. Bissell vs. Board, 158-38; 138 NW 830. Lunde vs. Slater, 185-605; 171 NW 5. See Montgomery vs. Marshall Co., 152-161; 129 NW 329.

9. **Indorsed negotiable paper.** One who indorses and transfers negotiable paper to a bank does not remain the owner thereof in such sense that he is subject to taxation for such paper as money and credits. Schoonover vs. Petcina, 126-261; 100 NW 490.

10. **Value of credits.** Credits should be assessed at their actual value instead of their nominal or face value if the two differ. People vs. Barker, 45 NY Supp. 811.

11. Credits of a solvent debtor are valued at their face. State vs. Clement Nat. Bk., 84 Vermont 167.

Moneys—credits—annuities—bank notes—stock.

6985. Moneys, credits, and corporation shares or stocks, except as otherwise provided, cash, circulating notes of national banking associations, and United States legal tender notes, and other notes, and certificates of the United States payable on demand, and circulating or intended to circulate as currency, notes, including those secured by mortgage, accounts, contracts for cash or labor, bills of exchange, judgments, choses in action, liens of any kind, securities, debentures, bonds other than those of the United States, annuities, and

corporation shares or stocks not otherwise taxed in kind, shall be assessed and, excepting shares of stock of national, state, and savings banks, and loan and trust companies, and moneyed capital as hereinafter defined, shall be taxed upon the uniform basis throughout the state of five mills on the dollar of actual valuation, same to be assessed and collected where the owner resides.

Farm purchased after assessment, purchase money in bank taxed as moneys and credits; real estate to owner at that time. Opinion of the Attorney General, 1928, p. 394.

Shares of revocable trust taxable as moneys and credits. Opinion of Attorney General, 1929, p. 180.

Proceeds of insurance of merchandise subject to taxation as moneys and credits. Opinion of the Attorney General, 1930, p. 290.

Stock in foreign corporation taxable as moneys and credits. Opinion of the Attorney General, 1930, p. 336.

Agreement to pay, taxable as moneys and credits. Opinion of the Attorney General, 1930, p. 342.

Sheriff's certificate of sale under a mortgage foreclosure, tax sale certificates and deposits in banks are all subject to taxation as moneys and credits. Opinion of the Attorney General, 1932, p. 177.

The unpaid balance on a real estate contract is subject to taxation as moneys and credits. Opinion of the Attorney General, 1932, p. 184.

Postal savings are assessable as moneys and credits. Opinion of the Attorney General, 1931, p. 22.

1. Annuity defined. An "annuity" is a yearly sum of money granted by one person to another in fee for life or years, charging the person of the grantor only. *White vs. Marion*, 139-479; 117 NW 254. *Weigand vs. Woerner*, 134 SW 596, 603; 155 Mo. 227.

1-a. The term "annuity" embraces any fixed sum, granted or bequeathed, payable at regular periods. *Nehls vs. Sauer*, 119-440; 93 NW 346.

1-b. **Annuity illustrated.** By the terms of an installment certificate issued by the New York Life Insurance Company in exchange for a policy, which had become a valid claim by the death of the insured, the company obligated itself to pay the beneficiary, certain semi-annual payments for a stated period, and thereafter, on a date certain, a final payment of a specified sum. *Wilkin vs. Board*, 186 Pac. R., 474; 77 Okla. 88.

2. Double taxation. Although the taxation of the property of a corporation to the corporation, and the shares of its capital stock to its stockholders, may amount to double taxation, yet such a provision is not unconstitutional. *Cook vs. Burlington*, 59-251; 13 NW 113. See *Appeal of Des Moines Water Co.*, 48-324.

3. Extent of taxation. The stockholder is taxable upon his interest in the corporate property including surplus, as well as upon his capital stock. *Equitable L. Ins. Co. vs. Board*, 74-178; 37 NW 141.

4. Insurance company stock. Shares of stock of domestic accident and health insurance company are taxable at the five mill rate provided by this section. *Great W. A. Ins. Co. vs. Martin*, 183-1009; 166 NW 705.

5. "Moneyed capital." Purchase-money mortgages, bank deposits, loans as investments, loans on real estate, accounts, and notes representing goods sold, do not constitute "moneyed capital" employed in competition with savings banks, and are, therefore, properly taxed as moneys and credits. *Poweshiek Co. Sav. Bank vs. Johnston*, 199-555; 202 NW 384. *Citizens Nat'l Bank vs. Johnston*, 199-460; 202 NW 384. *First Nat'l Bank vs. Board*, 200-131; 204 NW 223.

6. **Discrimination—moneyed capital used in small loan business.** Money capital employed, under Section 9410 et seq., C., '24, in the making of small loans of \$300 or less on personal or chattel security is taxable as moneys and credits, and not at the rate at which national bank stock is taxable, when the evidence shows that such moneyed capital does not come into competition with the business of national banks. *Welfare Loan Soc. vs. City*, 205-1400; 219 NW 534. *Universal Loan Corporation vs. Board*, 205-1391; 219 NW 536.

7. **Federal tax exempt securities.** Any portion of the capital of a private bank which is invested in U. S. bonds should be exempted from taxation. *Campbell vs. Centerville*, 69-439; 29 NW 596.

7-a. Taxation is permitted by Federal Statute of national bank bills, U. S. legal tender notes, and other notes and certificates of the United States payable on demand and circulating or intended to circulate as currency. See Sec. 425. U. S. Code Anno., vol. 31.

8. **Unauthorized classification.** Whether certain securities shall be assessed as moneys and credits or as moneyed capital, within the meaning of the federal statutes, must, in the first instance, be determined by the judgment of the assessor, and lastly by the judgment of the board of review; and the county auditor has no power to change such determination. *Fort Madison Sec. Co. vs. Maxwell*, 202-1346; 212 NW 131.

9. **Failure to return notes for assessment.** Failure of the alleged grantee in a conveyance to list for assessment the notes which he claims were satisfied by the conveyance is material on the issue of fraud. *Oelke vs. Howey*, 210-1296; 232 NW 666.

10. **Failure to list gift for taxation—effect.** The naked fact that a donee fails to list the gift (a substantial sum in cash) for taxation cannot have such evidentiary force as to overthrow other evidence which persuasively shows that the gift was actually made and executed. *Humphrey vs. Norwood*, 213-912; 240 NW 232.

Deduction of debts.

6988. In making up the amount of money or credits which any person is required to list, or to have listed or assessed, including actual value of any building and loan shares, he will be entitled to deduct from the actual value thereof the gross amount of all debts in good faith owing by him.

A taxpayer cannot deduct from his assessment the amount assessed against his property for drainage purposes. *Opinion of the Attorney General*, 1929, p. 113.
Mortgaged indebtedness on real estate not to be deducted from moneys and credits. *Opinion of the Attorney General*, 1931, p. 64.

1. **Scope of section.** The moneys and credits of a corporation from which are to be deducted its liabilities do not include real estate and other property for which taxation is specifically provided. *Equitable L. Ins. Co. vs. Board*, 74-178; 37 NW 141.

2. **"Credits" defined.** The term "credits" as used in this section does not include shares of corporation stock except shares in building and loan associations. *Morril vs. Bentley*, 150-677; 130 NW 734. See *Bridgeman vs. Keokuk*, 72-42; 33 NW 355. *Primghar State Bank vs. Rerick*, 96-238; 64 NW 801.

3. **Deduction by "merchant."** One who is taxed as a merchant under section 6971 cannot deduct his debts, from his general property. *McConn vs. Roberts*, 25-152.

4. **In re corporate surplus.** The obligation which a corporation owes to its stockholders to pay to them the surplus over and above the capital stock cannot be deemed an indebtedness which may be set off against such surplus and thus relieve the corporation from taxation therefor. *Iowa State Sav. Bank vs. Burlington*, 98-737; 61 NW 851.

5. **Liability of indorser.** An indorser on promissory notes transferred by him with mortgage security is not entitled to deduct such contingent liability as a debt from his moneys and credits. *Schoonover vs. Petcina*, 126-261; 100 NW 490.

6. **Delinquent taxes.** The debts which may be deducted from moneys and credits due do not include delinquent taxes of a previous year. *In re Appeal of Bailies*, 127-124; 102 NW 813.

7. **Nonestoppel to deduct.** The fact that in returning moneys and credits for assessments the taxpayer specified liabilities which he claims the right to have deducted does not estop him, in a subsequent proceeding by the treasurer to enforce an assessment for moneys and credits omitted from taxation, from showing other debts than those previously returned. *Schoonover vs. Petcina*, 126-261; 100 NW 490.

8. **Waiver of right to deduct.** The taxpayer may waive the right to have his indebtedness offset against his moneys and credits for taxation, and although he does so for the purpose of concealing such indebtedness and to avoid a showing of insolvency, his assignee, for the benefit of creditors, cannot complain of the tax thus assessed. *Carpenter vs. Jones Co.*, 130-494; 107 NW 435.

9. **Proof of indebtedness.** The existence of the debts to be offset may be shown otherwise than by the production of the notes evidencing such indebtedness. And held that the statements of the debtor confirmed by his creditor might be taken as sufficient evidence of the fact. *Stein vs. Board*, 135-539; 113 NW 339.

10. **Accruing interest.** Where a corporation monthly charged up to its indebtedness one-twelfth of the accruing interest for one year on its outstanding mortgage debt, this item is a debt which must be deducted before the assessable return of the company can be ascertained. *Peoples vs. Neff*, NY Sup. Ct., vol. 44, p. 47.

Good faith debt required.

6989. No acknowledgment of indebtedness not founded on actual consideration, and no such acknowledgment made for the purpose of being so deducted, shall be considered a debt within the intent of Section 6988.

1. **Nonfraudulent note by loaning agent.** *Hutchinson vs. Board*, 67-37; 24 NW 581.

2. **Fictitious note by loaning agent.** *Hutchinson vs. Board*, 66-35; 23 NW 249.

3. **Actual consideration.** If an obligation evidences an actual indebtedness the taxpayer is entitled to have it deducted regardless of the motive which may have influenced him to incur the obligation. *Hutchinson vs. Board*, 67-182; 25 NW 121.

4. **Absence of consideration.** An agent cannot escape taxation on the money thus under his management and control by executing to his principal a note for the amount of such money not representing any real indebtedness on the part of the agent. Such fictitious indebted-

ness would not be within the statutory provision allowing a setting off of debts as against moneys and credits. *Hutchinson vs. Board*, 66-35; 23 NW 249.

5. **Burden of proof.** The property owner must establish the validity and good faith of the indebtedness which he seeks to set off. *Vanderpluijm vs. Morris*, 200-776; 205 NW 341.

Details of debt.

6989-d1. No person shall be entitled to any deduction from the amount of moneys and credits assessed unless he shall upon demand specifically state the nature of such indebtedness and the person to whom he is indebted and any other information the assessor may require.

Suretyship.

6990. So much only of any liability of such person as security for another shall be deducted as he believes he will be compelled to pay on account of the inability of the principal debtor, and if there are other sureties able to contribute, then so much only as he in whose name the list is made will be bound to contribute.

Debts not deductible.

6991. No person will be entitled to any deduction on account of:

1. Any deposit or security note given in aid of the organization of a mutual insurance company for the premiums of insurance.

2. Any unpaid subscription to any institution, society, corporation or company.

3. Any indebtedness contracted for the purchase of United States bonds or other nontaxable property.

1. **Endowment note.** A note given on a valid consideration to a college for the benefit of its endowment fund constitutes a debt which may properly be deducted from moneys and credits for the purposes of taxation. *King vs. Carroll*, 129-364; 105 NW 705.

Deductions to fiduciary.

6993. In listing moneys and credits as provided in this chapter, any administrator, executor, trustee or agent shall be entitled to deductions, as prescribed in Sections 6988 to 6992, inclusive, of debts owing by the legatee, devisee, beneficiary or principal to the same extent as such fund might be reduced if it were held by such legatee, devisee, beneficiary or principal who may be entitled to the income on such trust or fiduciary fund.

CHAPTER VI

THE ASSESSMENT OF BANKS

Laws Relating to the Assessment of Banks

Private banks.

6997. Private banks or bankers, or any persons other than corporations hereinafter specified, a part of whose business is the receiving of deposits subject to check, on certificates, receipts, or otherwise, or the selling of exchange, shall prepare and furnish to the assessor a sworn statement showing the assets, aside from real estate, and liabilities of such bank or banker on January first of the current year, as follows:

1. The amount of moneys, specifying separately the amount of moneys on hand or in transit, the funds in the hands of other banks, bankers, brokers, or other persons or corporations, and the amount of checks or other cash items not included in either of the preceding items.

2. The actual value of credits, consisting of bills receivable owned by them, and other credits due or to become due.

3. The amount of all deposits made with them by others, and also the amount of bills payable.

4. The actual value of bonds and stocks of every kind and shares of capital stock or joint stock of other corporations or companies held as an investment, or in any way representing assets, and the specific kinds and description thereof exempt from taxation.

5. All other property pertaining to said business, including real estate, which shall be specially listed and valued by the usual description thereof.

The aggregate actual value of moneys and credits less the amount of deposits, the aggregate actual value of bonds and other stocks less the portion thereof otherwise taxed in this state, and other property, except real estate, pertaining to the business, shall be assessed and taxed on the same basis as bank stock. Real estate shall be listed and assessed as other real estate.

Board of supervisors cannot abate tax on capital stock of a bank on account of closing before end of the year; remedy through board of review. Opinion of the Attorney General, 1927, p. 88.

1. **Nondiscrimination against shares of stock.** No discrimination in taxation is revealed by this section, which superfluously concedes that tax-exempt government securities owned by a private banker may not be taxed, and by Section 7003, which provides that, in assessing shares of stock of a corporate bank, no deductions shall be allowed on account of tax-exempt government securities which are owned by the bank,

even though such securities do enhance the value of the shares of stock. *D. M. Nat. Bk. vs. Fairweather*, 191-1240; 181 NW 459; 184 NW 313.

1-a. **Private Banks.** The private banker claims his exemption on account of government bonds, if at all, under the federal statute, and not under our state statute. If the state law purported to accomplish uniformity by denying exemption to the private banker on government bonds, it would be a vain effort. The exemption would still remain. *D. M. Nat. Bk. vs. Fairweather*, 191 Iowa 1252.

National and state bank stock—place of assessment.

6998. Shares of stock of national banks and state and savings banks and loan and trust companies, located in this state, shall be assessed to the individual stockholders at the place where the bank or loan and trust company is located.

1. **Federal permission to tax.** Under the act of congress with reference to the taxation of national banks, the shares of stock and the real estate of such banks are alone subject to taxation. Personal property belonging to such associations cannot be taxed. *National St. Bank vs. Young*, 25-311.

2. **Assessment—bank stock—permissible change.** When the shares of stock of a bank are assessed to the bank, the county auditor may, at any time before the tax is paid, and without notice, change the assessment to the individual stockholders. *Ludeman vs. Cerro Gordo Co.*, 204-1100; 216 NW 712.

3. Preferred stock held by RFC is exempt and must be deducted. (See Act of Congress, March 20, 1936.)

4. The personal property of an insolvent national bank in the hands of a receiver is exempt from taxation under state laws. If the shares of stock have any value, they are taxable in the hands of the holders or owners for the reason that the bank does not cease to exist on the appointment of a receiver. *Rosenblatt vs. Johnson*, 104 US 462.

List of stockholders and their holdings.

6999. At the time the assessment is made the officers of national banks and state and savings banks and loan and trust companies shall furnish the assessor with lists of all the stockholders and the number of shares owned by each.

Listing to stockholders.

7000. The assessor shall list to each stockholder under the head of corporation stock the total value of such shares.

Statement furnished.

7001. To aid the assessor in fixing the value of such shares, the said corporation shall furnish him a verified statement of all the matter provided in Section 6997, which shall also show separately the amount of the capital stock and the surplus and undivided earnings.

1. **Going behind statement.** First Nat. Bank vs. City, 136-203; 112 NW 829.

2. **What constitutes "capital."** Where by mutual agreement stockholders deposit a fund which becomes a part of the capital of the bank it should be taxed by taxing the shares of stock, and not as the individual deposit of the stockholders. State Exchange Bank vs. Parkersburg, 112-104; 83 NW 793.

Deductions on account of real estate.

7002. In arriving at the amount of capital stock and surplus and undivided profits taxable as such, of such corporations, the amount of their capital stock together with any or all of their surplus and undivided profits that may be actually invested in real estate owned by them and in the shares of stock of corporations owning only the real estate (inclusive of leasehold interests, if any) on or in which the bank or trust company is located, shall be deducted from the total amount of capital stock and surplus and undivided profits, and such real estate shall be assessed as other real estate, and the property of such corporation shall not be otherwise assessed.

Where a bank purchased property for the sum of \$252,000, paying the sum of \$17,000 in cash and taking a deed subject to a mortgage of \$235,000 the amount of their capital actually invested in real estate is \$17,000 and this is the total amount of allowable deduction under this section. Opinion of the Attorney General, 1924, in case brought by Bankers Trust Co. of Des Moines.

Bank cannot alter its report as to real estate after matter has passed board of review. Opinion of the Attorney General, 1927, p. 179.

Banks entitled to deduct land owned by banks only. Opinion of the Attorney General, 1927, p. 208.

Bank may deduct real estate owned outside of state for taxation purposes. Opinion of the Attorney General, 1927, p. 153.

Banks not entitled to deduct depreciation from their real estate and personal property in arriving at the assessable value of their capital stock. Opinion of the Attorney General, 1929, p. 240.

Bank can deduct real estate only as shown by its books. Opinion of the Attorney General, 1930, p. 351.

Where amount represented by capital stock exceeds the amount which the bank has invested in real estate, the difference is to be taxed as money capital and all surplus and undivided profits taxed as moneys and credits. Where the amount represented by capital is less than the amount invested in real estate, then the amount invested in real estate may be deducted from the capital plus the surplus and undivided profits and the difference taxed as moneys and credits. Opinion of the Attorney General, 1932, p. 62.

1. **Value deducted.** From the amount of the capital, surplus, and undivided profits, there should be deducted the amount of capital actually invested in real estate and not the amount which the assessor has seen fit to place on such real estate for taxation purposes. Security Savings Bank vs. Board, 189-463; 178 NW 562. First National Bank vs. Weber, 196-1155; 192 NW 890.

2. **Deduction for "bad" paper in re bank stock.** In arriving at the assessable value of shares of bank stock, there is no authority to deduct from the bills receivable any amount for "bad" paper, and such unauthorized allowance is correctable by the county auditor, even though it has passed the Board of Review. Avoca State Bank vs. Burke, 193-1055; 188 NW 675.

3. **Unauthorized deduction of federal securities not adjudication.** First National Bank vs. Burke, 201-994; 196 NW 287.

Rule of actual and taxable value.

7003. The assessor from such statement shall fix the value

of such stock based upon the capital, at the same ratio of assessed value to actual value as the assessed value of real estate in the taxing district where such bank is located generally bears to its actual value.

The taxable value of such shares of stock shall be the assessed value and shall be taxed as moneys and credits. The provisions hereof shall become effective beginning with the assessment on the capital stock of all of said banks as of January 1, 1934.

All surplus and undivided profits of such bank or trust company remaining after the deduction of its real estate, if any, as provided in Section 7002 shall be taxed as moneys and credits, but in no event shall the right to offset bad debts or bad loans or any other losses against the amount of said surplus and undivided profits be authorized. (As amended by ch. 86, 45 Ex. G. A.)

1. **"Capital" construed.** The word "capital" construed to mean capital, surplus and undivided profits. *State Savings Bank vs. City Council*, 98 Iowa 739. *Sec. Savings Bank vs. Board*, 189 Iowa 470.

2. The capital (not capital stock) is to be computed from the statement furnished, added to the surplus and undivided earnings, constitutes the value of all the shares; and from this amount is to be deducted the portion of the capital actually invested in real estate owned by the bank. The remainder divided by the whole number of shares issued will be the value at which each share should be assessed. *Security Savings Bank vs. Board*, 189 Iowa 470.

3. **Undivided profits or surplus as element of value.** *Ottumwa Savings Bank vs. Ottumwa*, 95-176; 63 NW 672. *Iowa St. Savings Bank vs. Burlington*, 98-737; 61 NW 851.

4. **Discrimination in taxation of private and corporate bank.** The fact that a private banker is not taxed on his federal tax exempt securities while corporate bank stock is taxed without deduction of such securities, constitutes no unlawful discrimination against bank stock. *Des Moines Nat. Bank vs. Fairweather*, 191-1240; 181 NW 459; 184 NW 313.

5. **Deducting federal tax-exempt securities.** The tax on the shares of stock of a bank is not a tax on its capital, and as against a tax on the shares of stock held by individuals, no right exists to deduct the amount of the capital invested by the bank in United States securities. *German Am. S. Bank vs. City*, 118-84; 91 NW 829. *Head vs. Board*, 170-300; 152 NW 600. *First Nat. Bank vs. City*, 182-107; 161 NW 706. *Des Moines Nat. Bank vs. Fairweather*, 191-1240; 181 NW 459; 184 NW 313. *First Nat. Bank vs. Anderson*, 196-587; 192 NW 6.

6. **Shares in federal reserve bank.** Shares of stock in a federal reserve bank owned by a national bank are taxable under this section. *Cincinnati First Nat. Bank vs. Durr*, 246 Fed. 163, affirmed *Cincinnati First Nat. Bank vs. Beaman*, 257 Fed. 729.

7. **Computation of value ministerial.** The computation on the basis of capital, surplus and undivided earnings, less real estate constitutes a mere ministerial act. (But note the language of this section.) *First Nat. Bank vs. Hayes*, 186-892; 171 NW 715. *Des Moines Nat. Bank vs. Fairweather*, 191-1240; 181 NW 459; 184 NW 313, *First Nat. Bank vs. Anderson*, 196-587; 192 NW 6.

8. **Constitutionality of statute.** Constitutionality reaffirmed of the statute providing for the taxation of bank stock on the basis of capital, surplus, and undivided profits (less real estate) without deduction for federal tax-exempt securities held by the bank. *First Nat. Bank vs. Burke*, 196 NW 287.

9. **Discrimination as to deductions.** No unallowable discrimination is worked by a statute which, in the assessment of the stock of an incorporated bank, authorizes a deduction for certain liabilities and does not allow such deduction in the assessment of the bank assets of a private banker. *Mannings Bank vs. Armstrong*, 204-512; 211 NW 485.

10. **Valuation of shares.** The fact that a part or all of the capital of a national bank is invested in United States bonds, or securities which are exempt from taxation, does not entitle a shareholder to any deduction from an assessment on the full value of his shares. *Hannan vs. First Nat. Bank*, 269 Fed. 527 (1920).

11. **Discrimination between national bank shares and other moneyed capital.** The fact that under a state statute individuals, such as private bankers, may deduct from the amount of their property for assessment purposes the amount of United States securities held by them is not a discrimination against the owners of national bank shares, forbidden by Rev. St. Sec. 5219, which in requiring other money capital as the state has power to tax. *Hannan vs. First Nat. Bank*, 269 Fed. 527 (1920).

12. **National bank shares—deductions.** A state statute taxing national bank stock and basing the assessment on the aggregate of the capital, surplus and undivided earnings, without any deduction on account of federal tax-exempt securities and stock in federal reserve banks, is valid. *Des Moines Nat. Bank vs. Fairweather*, 263 US 103 (1923).

13. **Tax-exempt securities.** Shares of stock of national banks may be valued and taxed to the stockholders on the basis of the sum total of the capital, surplus and undivided profits of the bank without deducting the amount of the tax-exempt securities owned by the bank, even though in the assessment of a private banker his tax-exempt securities would not be included in the sum total of his property. 191 Iowa 1240 affirmed *Des Moines Nat. Bank vs. Fairweather*, 263 US 103.

14. **Receiver national bank exempt from tax on personal property.** The personal property of an insolvent national bank in the hands of a receiver appointed pursuant to Sec. 5234 of the Revised Statutes is exempt from taxation under the state laws. *Rosenblatt vs. Johnson*, 104 US 462.

15. **No double taxation of state banks.** The statute as to bank taxation must be construed precisely the same with reference to state banks as though they were national. *Sec. Savings Bank vs. Board*, 189 Iowa 468.

16. **Assessor.** The assessor has no power except to compute the assessment in the manner prescribed from the statement furnished by the bank. *Sec. Savings Bank vs. Board*, 189 Iowa 463.

17. **Assessor.** The report or the return of the corporation cannot be arbitrarily rejected by the assessor, although it is not conclusive on them, at least when contradicted by competent evidence or information. *Wells Fargo & Co. vs. Johnson*, 205 Fed. 60. *First Trust Co. vs. County*, 142 NW 542. *State vs. Adams Express Co.*, 144 Ind. 549. *Cooley on Taxation*, Sec. 805, p. 1651.

Refusal to furnish information.

7004. A refusal to furnish the assessor with the list of stockholders and the information required by Sections 6999 and 7001 shall be deemed a misdemeanor and any bank or officer thereof so refusing shall be punished by a fine not exceeding five hundred dollars.

Stock of insolvent bank—remission.

7004-g. Whenever a bank operated within the state of Iowa has been heretofore or shall hereafter be closed and placed in the hands of a receiver, the board of supervisors shall remit all unpaid taxes on the capital stock of said bank.

“Moneyed” capital.

7005. All moneyed capital within the meaning of section 548 of title 12 of the United States code shall be listed and assessed against the owner thereof at his place of business, and if a corporation at its principal place of business, at the same rate as state, savings, national bank and loan and trust company stock is taxed, in the same taxing district, and at the actual value of the moneyed capital so invested.

Note: Section 5219 of the Revised Statute above referred to provides that the tax imposed upon national bank stock shall not be at a greater rate than is assessed upon other moneyed capital in the hands of individual citizens, coming into competition with the business of national banks: Provided, that bonds, notes, or other evidences of indebtedness in the hands of individual citizens not employed or engaged in the banking or investment business and representing merely personal investments not made in competition with such business, shall not be deemed moneyed capital within the meaning of this section.

1. **“Moneyed capital” defined.** Purchase-money mortgages on real estate, mortgages purchased and held as an investment by an individual, and individual bank deposits, may not be deemed “moneyed capital,” within the meaning of the federal statutes (Sec. 5219, Rev. State. U. S.) in the absence of proof that such capital is employed in competition with the business of national bank. *First Nat. Bank vs. Board*, 199-1124; 201 NW 769.

2. **Property not assessable as “moneyed capital.”** Purchase-money mortgages, bank deposits, loans as investments and fiduciary funds loaned on order of court, do not (on record presented) constitute “moneyed capital” employed in competition with national banks and are, therefore, properly taxed as moneys and credits. *Citizens Nat. Bank vs. Johnston*, 199-460; 202 NW 382; *Poweshiek Co. Sav. Bank vs. Johnston*, 199-460; 202 NW 384. *First Nat. Bank vs. Board*, 204 NW 223.

3. **Unauthorized classification.** Whether certain securities shall be assessed as moneys and credits or as moneyed capital, within the meaning of the federal statutes, must, in the first instance, be determined by the judgment of the assessor, and lastly by the judgment of the Board of Review; and the County Auditor has no power to change such determination. *Ft. Madison Sec. Co. vs. Maxwell*, 202-1346; 212 NW 131.

4. **Moneyed capital.** Moneyed capital of individuals and corporations loan money and selling notes and bonds held in competition with national banks, within law requiring equality of taxation. *Brotherhood Co-op. Nat. Bank vs. Hurlburt*, 26 Fed (2nd) 957.

5. **Congressional consent necessary to tax national bank.** National banks are not merely private money institutions, but agencies of the United States to promote its fiscal policies; and hence the banks and their property and their shares cannot be taxed under state authority except as congress consents and then only in conformity with the restrictions attached to its consent. *D. M. Nat'l Bank vs. Fairweather*, 263 US 103, 106.

6. **Moneyed capital.** "Business" of national banks, within statute taxing moneyed capital competing with national banks, means business which they are authorized to transact. *People vs. Goldfogel*, 151 NE 453 (N. Y.).

7. **Moneyed capital defined.** Moneyed capital is brought into competition with national banks, within the meaning of the U. S. Statute where it is invested in shares of state banks, or in private banking, and also where it is employed substantially as in loan and investment features of banking in making investments, by way of loans, discount, or otherwise, in notes, bonds, or other securities with a view of sale or repayment and reinvestment. *First Nat'l Bank of Guthrie Center vs. Anderson*, 269 US 341; 70 L Ed 295.

8. **Competition defined.** Proof of competition by untaxed capital involves showing that it is employed in substantial amounts in such investments as are open to national banks. It is enough to establish competition if both parties engage in seeking and securing in the same locality, investments of the same class in substantial amounts. The sale of real estate mortgages, or other evidences of debt, with a view to reinvestment is within the incidental powers of a national bank, and parties engaging in such transactions are in competition with national banks. Mere personal investments by individuals are not in competition with national banks. *First Nat'l Bank vs. Hartford*, 273 US 548. *Minnesota vs. First Nat'l Bank of St. Paul*, 273 US 561.

9. **Discrimination in valuation.** The systematic valuation of shares of national banks at a greater per cent of their true value than that of other money capital is in conflict with this section. *Richard vs. Rock Rapids (Iowa)*, 31 FR 505.

10. **Non-taxable property.** Property of a national bank is distinct and separate from the shares of stock in the names of stockholders and therefore the latter are not entitled to deduct non-taxable property belonging to the bank from the assessment of their shares. *Citizens' Bank vs. Owensboro*, 173 US 636; 43 L Ed 840 *Van Allen vs. Assessor (N. Y. 1866)*, 3 Wall 573; 18 L Ed 229.

11. **Buying and selling mortgages.** The investment in real estate mortgages is within the limitations of the incidental powers of national banks. To that extent the business of acquiring and selling such mortgages, carried on by numerous individuals, firms and corporations, comes into competition with this incidental business of national banks. *First Nat. Bank vs. City*, 273 US 548, 71 Law Ed 767.

12. **Small loan companies.** The business done by a small loan company organized and licensed to do business under code of Iowa, ch. 419 is not in "competition" with the business of national banks within the U. S. Rev. Stat. 5219, as amended (12 USCA 548) relative to taxation of shares of such banks by states and requiring that tax on shares of such banks. *Welfare Loan Soc. v. City*, 205-1400; 219 NW 534. *Univ. Loan Corp. vs. Board*, 205-1391; 219 NW 536.

Listing.

7006. The person or corporation using moneyed capital in competition with bank capital shall furnish the assessor upon

demand a full and complete itemized sworn statement showing the amount of moneyed capital so used.

In special charter cities.

7007. The provisions of sections 6944, 6946 to 6952, inclusive, 6959, 6971 to 6978, inclusive, 6987, 6996, 6997 to 7004, inclusive, 7008, 7009, 7086, 7087, 7089, 7091, 7102, 7109, 7144 to 7146, inclusive, 7161, 7163 to 7167, inclusive and 7279 to 7283, inclusive, so far as applicable, shall apply to cities acting under special charters.

Liability of corporation for tax.

7007-a1. The corporations described in this chapter shall be liable for the payment of the taxes assessed to the stockholders of such corporations, and such tax shall be payable by the corporation in the same manner and under the same penalties as in cases of taxes due from an individual taxpayer, and may be collected in the same manner as other taxes, or by action in the name of the county.

Applicable to certain corporate shares, see Sec. 7013.

1. **Shares of stock—nonliability of insolvent corporation.** The statutory liability of a corporation to pay taxes assessed and levied on its corporate shares of stock and against the individual owners thereof does not apply to taxes assessed and levied in a year, during which, and before taxes become payable, the corporation becomes insolvent and passes into the hands of a receiver. *Wilcoxon vs. Munn*, 206-1194; 221 NW 823.

2. **Lien—corporate bank stock.** Taxes on corporate bank stock and against the individual owners thereof are not a lien on the real estate holdings of the corporation in the hands of a receiver, notwithstanding the fact that the statute assumes to make the corporation personally liable therefor. *Andrew vs. Munn*, 205-723; 218 NW 526.

Liability of stockholders—lien on stock.

7007-a2. Such corporations may recover from each stockholder his proportion of the taxes so paid, and shall have a lien on his stock and unpaid dividends therefor.

CHAPTER VII

THE ASSESSMENT OF CORPORATION STOCK

Laws Relating to the Assessment of Corporation Stock

Shares of stock.

7008. The shares of stock of any corporation organized under the laws of this state, except corporations otherwise provided for in chapters 330 to 341, inclusive, and except as provided in Section 7102, shall be assessed to the owners thereof as moneys and credits at the place where its principal business is transacted. The assessment shall be on the value of such shares on the first day of January in each year. In arriving at the assessable value of the shares of stock of such corporations, the amount of their capital actually invested in property other than moneys and credits shall be deducted from the actual value of such shares. Such property other than moneys and credits shall be assessed as other like property.

As to deductions on account of exempt securities, see annotations in connection with assessment of national and state banks. See 6998.

1. **Stock in corporations ordinarily not a credit.** It is not an indebtedness to its owner, but on the contrary is an interest in the property of the corporation. Its owner holds an equitable interest in the corporation, which is represented by the term "stock," and the extent of his interest is described by the term "shares". A share of stock is a thing owned by the stockholder. It is in no sense a debt owing to the stockholder and therefore not a credit. *Morrill vs. Bentley*, 150 Iowa 689.

2. **Corporate shares of stock—unallowable computation.** An assessor in computing the value of the shares of stock of a corporation for the purpose of assessing them to the stockholder, has no right to include an item of cash accumulated by the corporation for the good faith and actual purpose of paying the taxes of the corporation. *Equitable Life Ins. Co. vs. City*, 207-879; 223 NW 744.

3. **Scope of section.** This section relates solely to corporations organized under the laws of this state. *Morrill vs. Bentley*, 150-677; 130 NW 734.

3-a. **Stock of foreign corporations.** The capital stock of a foreign corporation is to be assessed to the owner residing within the state at his place of residence, regardless of its assessment in the foreign state. The tax is not doubled because the second or additional burden is not imposed by the same sovereignty or state which imposed the first. *Judy vs. Beckwith*, 137 Iowa 24.

4. **When shares nontaxable.** Shares of stock are not taxable if the real value thereof be no more than the assessed value of the real estate in which the capital is invested. *Koochiching Co. vs. Mitchell*, 186-1216; 173 NW 151.

5. **Domestic corporation doing foreign business.** Stock of a domestic corporation is taxable in this state even though the corporation chooses

to invest its entire assets outside the state. *Koochiching Co. vs. Mitchell*, 186-1216; 173 NW 151.

6. **Void assessment.** An assessment on the corporate stock of a merchant corporation (instead of on the stock of merchandise) is void and, necessarily, is not a charge on the funds of the corporation in the hands of a receiver. *Union Petroleum Co. vs. Indian Petroleum Co.*, 192-1373; 186 NW 439.

7. **Mistaken classification—waiver.** An insurance company which lists its corporate stock to itself as personal property, and at an inadequate value which it induces the assessor to accept,—all on the assumption that it was subject to the consolidated levy,—and thereafter interposes no counter objection, may neither obtain a refund for taxes paid nor enjoin the collection of taxes unpaid, on the theory that the property was in fact only subject to a five-mill levy, as moneys and credits. (See Book of Anno., Vol. 1, Sec. 7235.) *Farmers Ins. Co. vs. Linn Co.*, 202-444; 208 NW 929.

8. **Articles of incorporation may control place of taxation.** The personal property and moneys and credits of a corporation engaged in blasting and crushing stone are taxable in the taxing district which embraces the place where its principal business is transacted as declared in its articles of incorporation. *Iowa vs. Cook*, 211-534; 233 NW 682.

9. **Abstract books and equipment of corporation.** The abstract books and office equipment of a corporation engaged in making abstracts of title to real estate are so assessable as to come under and be subject to the general tax levy. In other words, such property is not to be included in the value of the corporate shares of stock and assessed as moneys and credits. *Mills Co. Abstract vs. Board*, 216-398; 249 NW 235.

Statement to assessor.

7009. Every such corporation annually, on or before the twenty-fifth day of January, shall furnish to the assessor of the assessment district in which its principal place of business is located, a verified statement showing specifically, with reference to the year next preceding the first day of January then last past:

1. Total authorized capital stock and number of shares thereof.
2. Number of shares of stock issued and par value of each.
3. Amount paid into the treasury on each share and the total capital paid in.
4. Description of each tract of real estate owned by said corporation, and the amount of capital actually invested therein.
5. An itemized list of all other property owned by said corporation, except moneys and credits, together with the location thereof, and the amount of capital actually invested therein.
6. Date, rate per cent, and amount of each dividend declared, and the amount of capital on which each such dividend was declared.

7. Gross and net earnings, respectively, during the year, and amount of surplus.

8. Amount of profit added to sinking fund.

9. Highest price of sales of stock between the first and tenth days of January of the current year.

10. Highest price of sales of stock during the preceding year, and average price of such sales.

1. **Effect of statement.** Statements made by the corporation for the purposes of assessment may be considered as admissions by it without regard to whether such statements have been actually before the assessor. *Woodbury Co. vs. Talley*, 153-28; 129 NW 967.

2. **Basis of valuation.** A single sale by the corporation of corporate stock may not necessarily furnish a correct standard from which to determine the actual value of said stock for taxation purposes. *McElhinney vs. Rainbow*, 179-558; 161 NW 700.

Valuation of stock.

7010. If the assessor is not satisfied with the appraisement and valuation furnished as provided in Sections 7008 and 7009, he may make a valuation of the shares of stock based upon the facts contained in the statements above required, or upon any information within his possession, or that shall come to him, and shall, in either case, assess to the owners the stock at the valuation made by him.

Personal property of a bank is taken into consideration in determining the value of the stock; therefore, not taxable to the institution. Opinion of the Attorney General, 1928, p. 302.

Refusal to make statement.

7011. If the officers of any corporation refuse or neglect to make the statement required, the assessor shall make a valuation of the capital stock of the defaulting corporation from the best information obtainable.

Corporations liable to pay tax.

7013. Sections 7007-a1 to 7007-a4, inclusive, shall be applicable to the corporations hereinbefore described in this chapter.

CHAPTER VIII

THE ASSESSMENT OF INSURANCE COMPANIES

Laws Relating to the Assessment of Insurance Companies

Domestic companies—shares of stock.

7026. The shares of stock of every insurance corporation or association having capital stock, organized under the laws of this state, shall be assessed for taxation in the manner provided for the assessment of the shares of corporate stock in Sections 7008 to 7013, inclusive, and said shares of stock shall not be otherwise assessed. In addition to the statement required in Section 7009, the corporation shall furnish to the assessor a copy of its annual report made to the auditor of state.

1. **Unallowable computation.** An assessor in computing the value of the shares of stock of a corporation for the purpose of assessing them to the stockholder, has no right to include an item of cash accumulated by the corporation for the good faith and actual purpose of paying the taxes of the corporation. *Equitable Life Ins. Co. vs. City*, 207-879; 223 NW 744.

Personal and real property.

7027. Every insurance corporation or association organized under the laws of this state, not including corporations with capital stock, county mutuals, and fraternal beneficiary associations, which county mutuals and fraternal beneficiary associations are not organized for pecuniary profit, shall, on or before the twenty-sixth day of January in each year, for the purpose of assessment of its property, furnish to the assessor of the assessment district in which its principal place of business is located, a statement verified by its president, showing specifically with reference to the year next preceding the first day of January then last past:

1. A duplicate of the statement required by law to be made to the commissioner of insurance for the said year last past.

2. A detailed statement of all its property and assets of every kind and nature whatsoever, and the value of each item thereof, including surplus, guaranty, and reserve fund, and the amount of each.

Assessment.

7028. It shall be the duty of the assessor upon the receipt of said statements, and from other information acquired by him, to assess against every corporation or association referred

to in Section 7027, the value of all personal property owned by such corporation or association, together with the actual value of each parcel of real estate situated in the assessment district of such assessor, and all the said property shall be assessed at the same rate, and for the same purposes as the property of private individuals, as provided in Section 7109.

Moneys and credits.

7029. In assessing for taxation the moneys and credits of every insurance corporation, company, or association organized under the laws of this state, except county mutuals and fraternal beneficiary associations, which county mutuals and fraternal beneficiary associations are not organized for pecuniary profit, the assessor shall ascertain the debts or liabilities, if any, of such corporation, company, or association to its shareholders or other persons, which debts and liabilities shall be deducted, as provided in Sections 6988 to 6992, inclusive.

1. **Loading charge.** A mutual life insurance company's surplus fund, known as loading charge, held not assessable for taxation. *Cent. Life Assur. Soc. vs. City*, 238 NW 535, denying rehearing and modifying 236 NW 426.

Debts deductible.

7030. In ascertaining the indebtedness or liability of such corporation, company or association, a debt shall be deemed to exist on account of its liability on the policies, certificates or other contracts of insurance issued by it equal to the amount of the surplus or other funds accumulated by any such corporation or association for the purpose of fulfilling its policies, certificates or other contracts of insurance, and which can be used for no other purpose.

1. **Nontaxable surplus insurance fund.** The funds of a nonstock and nondividend-paying mutual fire insurance company are not locally assessable when such funds are accumulated by collecting excess premiums in advance, and, at the termination of the policy, and in accordance therewith, returning to the policyholder the excess over and above the cost of insurance. *Appeal of Mill Owners' M. F. Ins. Co.*, 188-664; 176 NW 686.

2. **"Loading" charge of mutual insurance company.** A surplus, known as a "loading" charge, accumulated by a mutual legal reserve life insurance company by crediting thereto, annually, a portion of the gross premiums, even though such surplus is not required by law, is not assessable as moneys and credits when such surplus is used to defray the expense of carrying and fulfilling policies during the various life expectancies, and when such surplus cannot be legally used for any other purpose. *Central Life v. City*, 212-1254; 238 NW 535.

CHAPTER IX

THE ASSESSMENT OF BUILDING, SAVINGS AND
LOAN ASSOCIATIONSLaws Relating to the Assessment of Building, Savings
and Loan Associations**Shares assessed against association.**

7017-d1. The value of the shares of each mutual building and loan or savings and loan association exclusively engaged in such business shall be assessed against each association at its principal place of business.

Sworn statement required.

7017-d2. On or before the first day of February of each year every mutual building and loan or savings and loan association shall furnish to the assessor a sworn statement showing the total amount to the credit of the shareholders at the close of business on the preceding December thirty-first; said statement shall contain the following information:

1. The total amount credited on all the shares of non-borrowing members.
2. The total amount credited on all the shares of borrowing members whose share credits are in excess of their indebtedness to the association less the amount owing to the association by such borrowing members.
3. The total amount of contingent reserve and all other funds.
4. A legal description of each tract of real estate owned by such association and the amount actually invested therein.
5. The actual value of all furniture, fixtures and other equipment used in the conduct of the business of the association.
6. The actual value of all bonds owned by the association.

Refusal.

7017-d3. If any officer of a mutual building and loan or savings and loan association, upon demand being made, fails or refuses to furnish the assessor with the statement required in Section 7017-d2 he shall be guilty of a misdemeanor.

Determination of value.

7017-d4. In arriving at the value of the shares of each

mutual building and loan or savings and loan association the assessor shall allow as a deduction the total amount of indebtedness of all borrowing members to the association and shall fix and determine the value of the shares based upon the information contained in the statement provided for in Section 7017-d2, and upon such other information as he may secure.

Amount of tax.

7017-d5. In addition to the tax provided for in Section 6987, there is hereby levied and imposed against each mutual building and loan or savings and loan association a tax of one mill on the dollar on the actual value of the shares of stock of each such associations.

Apportionment of tax.

7017-d6. Each such association shall apportion against the owners of the shares of stock upon the value of which the said tax is so levied their pro rata share of said tax.

Lien.

7017-d7. The association shall have a lien upon the shares of each such shareholder for his portion of said tax and may deduct the same from the amount of earnings credited to such shareholder.

Deductions.

7017-d8. From the total actual value of the contingent, reserve and/or other funds of each such association there shall be deducted the actual value of the real estate, personal property and tax exempt bonds owned by the association and the balance obtained after making the deductions herein provided for shall be taxed and assessed against such association at its principal place of business as moneys and credits.

Taxation of real estate, furniture and fixtures.

7017-d9. The real estate, furniture and fixtures of each mutual building and loan or savings and loan association shall be assessed and taxed to the association in the same manner and at the same rate as is real estate and personal property in the hands of individuals.

Association liable.

7017-d10. Each building and loan or savings and loan association shall be liable for the payment of the taxes levied and assessed against it and such taxes shall be paid by the association and collected in the same manner and subject to the same penalties as are general taxes.

Tax exclusive.

7017-d11. Taxes herein provided for shall be in lieu of all other taxes against building and loan or savings and loan associations and against the shares of stock of such association, excepting that said shares of stock shall be subject to the one mill levy for soldiers' bonus bonds provided by Section 6987.

Foreign company—statement required—duty of auditor of state.

7018. The auditor of state shall, on or before the tenth day of February of each year, send to the county auditor of each county a statement of the name and post office address of each stockholder of a foreign building and loan, or savings and loan association residing in their respective counties, together with the number of shares owned by each person on the first day of January preceding, and the actual value of each share of stock on said first day of January, which facts shall be reported to him by such associations under the law governing building and loan, or savings and loan associations.

County auditor—duty.

7019. It shall be the duty of the county auditor to immediately furnish to each assessor in his county the name of each stockholder in any such foreign association residing in such assessor's district, together with the number of shares held by each person, and the actual value of each share on the first day of January preceding.

CHAPTER X

THE ASSESSMENT OF OIL STATIONS

While application of the data card method of valuation has materially assisted in breaking down former inequalities of assessment, many assessors have found that still more specific assistance was needed in order to equalize fairly the assessment of oil property. For that reason, this short chapter relating to the valuation and assessment of oil stations has been included in this manual. For convenience of classification the various types of stations have been divided into classes. Practically every station with which an assessor comes in contact will fall into one or another of the following classes.

Land Value

The first step in the assessment of the oil station is the same as in the assessment of any other real estate, that is, the valuation of the land and the same rules of value apply in this instance as in the assessment of any other lot.

Valuation of Building

As in the assessment of any other building, the valuation of the oil station should be determined according to the cubic content of the structure, that is, the number of cubic feet in the building should be multiplied by the price determined per cubic foot. In addition, where there is a canopy, the value of the canopy should be figured on a square foot basis. Adding the two figures together, the assessor will have the reproduction cost of the entire structure. The same rules for depreciation will apply as for other buildings.

After the value of the building has been determined, the assessor should add the value of the cement work, figuring the cost of the cement at about 20 cents per square foot, its present reproduction cost.

Classification of Building

The following tables and classification will be helpful in determining a proper valuation.

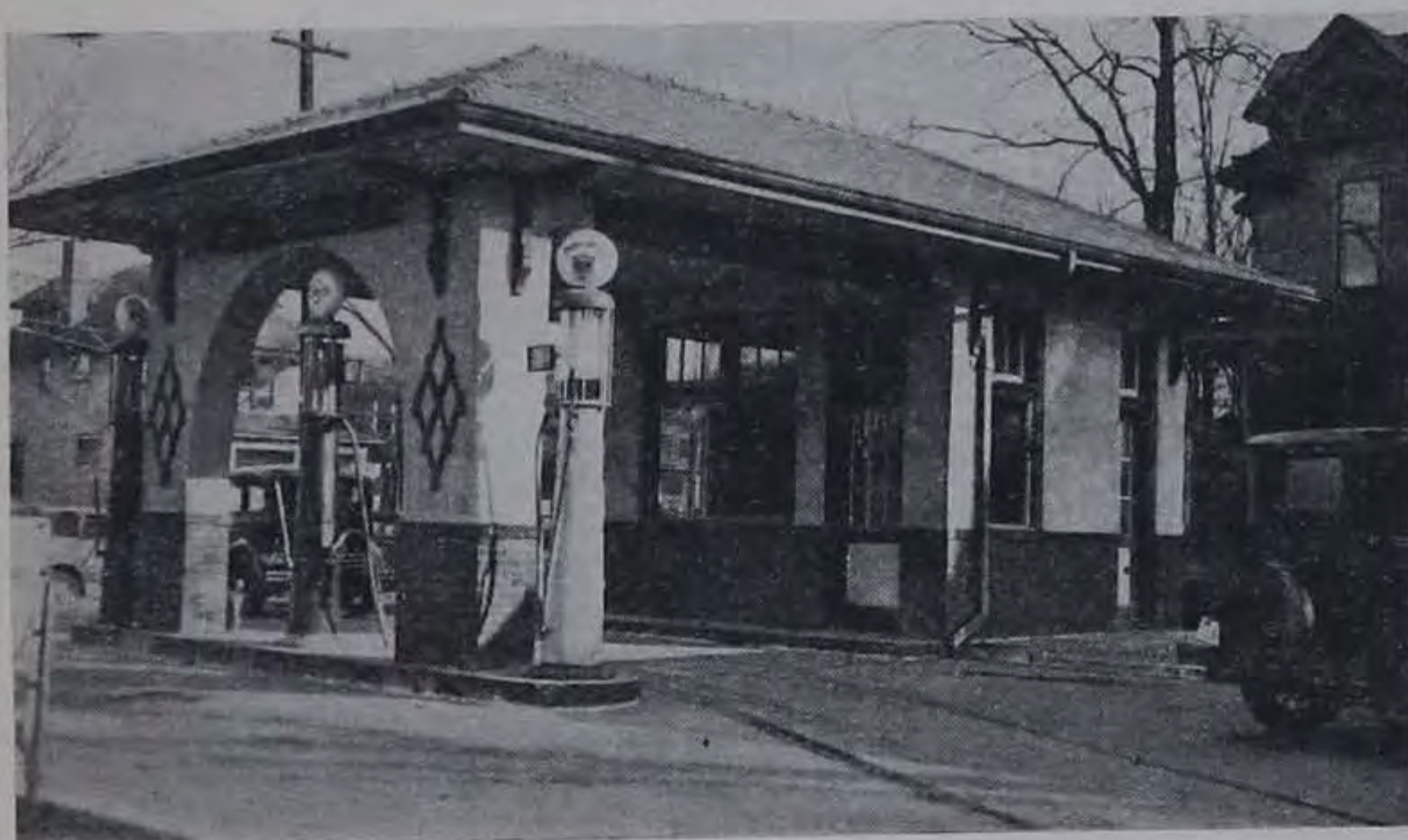
Type I



Price per
Cubic Foot

Solid masonry, asphalt shingles, two toilets, finished interior, stove heat50 to 60 cents
Canopy—at \$1.35 per square foot.

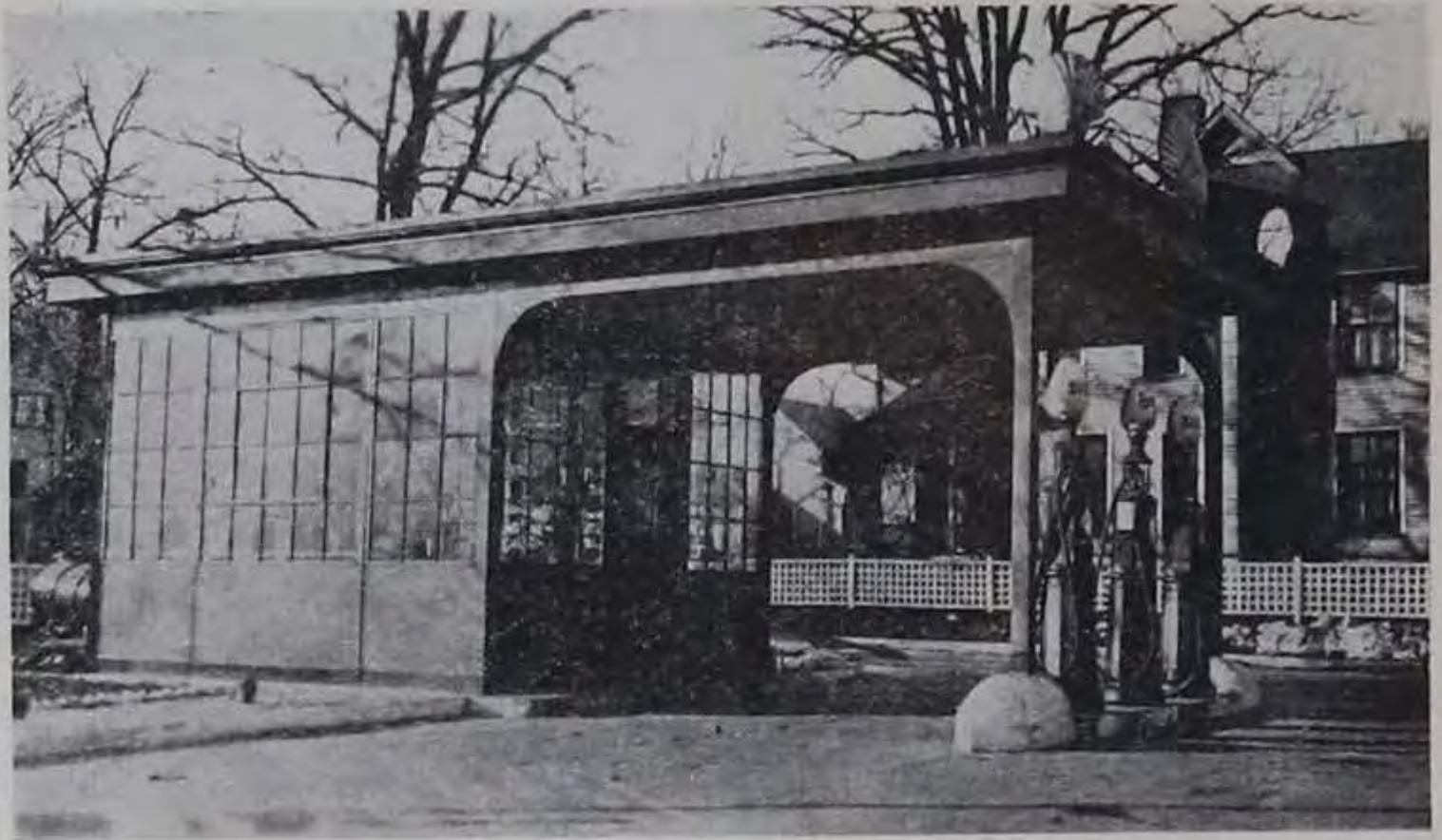
Type II



Price per
Cubic Foot

Stucco and brick, on tile, asphalt shingles, two toilets, finished interior, stove heat46 to 57 cents
Canopy—\$1.35 per square foot.

Type III



	Price per Cubic Foot
Steel station, walls steel and glass, steel roof, two toilets, stove heat	39 to 49 cents
Canopy—\$1.20 per square foot.	

Type IV

	Price per Cubic Foot
Solid masonry, glazed brick veneer, tile roof, two toilets, station, finished interior, equipped grease house, stove heat	38 to 47 cents

Type V



Price per
Cubic Foot

Solid masonry, exterior and interior glazed brick veneer, gravel roof, two toilets, station, finished interior, equipped grease house, stove heat..... 25 to 35 cents

Type VI

Price per
Cubic Foot

Frame, wood or asphalt shingles; exterior, siding or shingles; two toilets, finished interior, stove heat..... 35 to 45 cents
Canopy—\$1.35 per square foot.

Type VII

Stations of Cheaper Construction Than Type VI

	Pitch Roof	Flat Roof
Brick walls, no plaster or toilets.....	23 to 27c	21 to 25c
Tile walls, no plaster or toilets.....	21 to 25c	18 to 21c
Drop siding, frame walls, plastered, no toilets.....	18 to 22c	16 to 20c
Barn board, frame walls, plastered, no toilets.....	15 to 19c	14 to 18c
Stucco on frame, no plaster or toilets.....	16 to 23c	14 to 21c
Add to Class 5 for plaster.....	3c	3c
Add to Class 5 for each toilet.....	14c	14c
Canopy—brick, tile or stucco posts.....	95c to \$1.06 sq. ft.	
Canopy—wood posts	64c to	.72 sq. ft.

The above units are based on small, cheap buildings about 12x16x8½. Buildings of larger dimensions should call for the lower units.

Grease houses should be valued at a lower cubic foot price than the oil station proper, ranging in price from 16 to 26 cents.

Rules for Cubing Oil Stations and Grease Houses

Length and breadth dimensions should be taken at the top of the foundation.

For height of station or grease house, compute three feet for the foundation if there is no basement.

If full basement, measure from basement floor to ceiling of basement.

For first floor, measure from floor to ceiling.

If a "pitch" roof, add one-half the distance from ceiling to peak of roof for height of roof.

If "flat" roof, use the distance from ceiling to top of coping if the same is level—if the top of the coping is not level, use the distance from the ceiling to the average of the top of the coping.

If there is no coping add one foot for roof.

If there is not a full basement (that is extending under the entire structure) or only grease pits, cube the same exact dimensions of such part basement or grease pit.

Canopies are to be valued by the square foot, measured around the base of the columns or around the base of the columns and along the foundation of the building if the canopy is attached to the building.

After the reproduction cost of the building has been determined through the application of the proper cubic foot cost for the building proper, and square foot cost for the canopy and cement work, depreciation should be determined and allowed in the same manner as in the valuation of other buildings. The remaining value will be the present worth of the structure and should be added to the value of the land, to give the present true worth of the real estate.

Assessment of Personal Property of Oil Stations

All merchandise at the oil station should be assessed as personal property at its actual worth. A schedule of per gallon prices for gas and oils and prices per pound for greases will be furnished each year in a separate bulletin sent out by this Board before the opening of the assessment period.

Equipment

All equipment used in the operation of the station, including pumps, with their attached tanks, air compressors, etc., should also be assessed as personal property. The following table suggests the value at which oil station equipment should be assessed.

Bulk Stations

In the table below are given suggested full cash values for gasoline and kerosene bulk stations. These values include tank, necessary pipes, fittings, and pumps for unloading gasoline or kerosene from railroad car and loading trucks. Additions must be made where tanks are located more than 200 feet from railroad track or truck loading dock.

Suggested Full Cash Values for Gasoline and Kerosene Bulk Stations

Dimensions	Age in Years									20 or Over
	2	4	6	8	10	12	14	16	18	
Horizontal										
9' x21' } 10' x17' } 10'6x15'5 }	\$490	\$420	\$366	\$317	\$276	\$242	\$214	\$186	\$166	\$150
10' x20' } 9' x25' } 11' x17' } 10'6x17'5 }	556	483	420	364	317	277	245	214	184	160
9' x30' } 10' x24' } 11' x21' }	580	502	434	372	324	284	256	220	194	172
10' x30' } 11' x24' } 10'6x26'5 }	668	578	504	438	364	326	288	250	214	192
10'6x32' } 10' x36' }	776	666	579	502	437	382	338	295	256	220
Vertical										
10' x17' } 11' x14' } 10'6x15'7 }	447	384	334	290	252	220	195	170	152	140
11' x17' } 10'6x18'4 }	520	447	388	337	293	256	227	198	172	150
11' x21' } 10'6x23'7 }	613	530	460	400	347	304	270	235	208	182
10'6x26'5 } 11' x25' }	686	585	500	428	366	323	288	253	223	192
11' x30' } 10'6x32'3 }	718	616	535	465	404	354	313	273	238	204

Filling Station Pump and Tank Installations

Electric operated cash computing with accessory display case.....	\$150
Electric operated cash computing.....	134
Electric operated meter	66
Hand operated visible	50
Hand operated blind	34

Note: The trend in gasoline pumps during the past two or three years has been definitely towards the cash computing type, so that in estimating the assessed value of the plain meter, visible, and blind pumps obsolescence has been given consideration.

CHAPTER XI

THE BOARD OF REVIEW

Function of the Board of Review

It lies within the power of the board of review as the final assessing authority to make or not make a good assessment. If assessors have placed upon the books a complete and equitable assessment, it only remains for the board to make necessary minor alterations to correct what small discrepancies and inconsistencies show up under review. If, on the other hand, some assessors have been recalcitrant and not followed the uniform rules and procedures, it may be necessary for the board to make very substantial changes in the assessment of individuals in order that the roll may spread the tax bill with comparative justice.

When the assessment rolls are delivered to the board it has broad powers of review; it may act on complaints; it may act on its own initiative; it may make changes in individual assessments; it may assess property that has been omitted in former years. These and other powers and decisions make the board of review a vital link in the assessment machinery. But these large powers do not give the board authority to act arbitrarily. It must follow the same rules and statutory injunctions as the local assessors. It is bound by the same decisions and interpretations of the law. Above all the board should exercise a judicial temper in settling differences of opinion and judgment between the taxpayers and assessors in hearing individual complaints. Members of the board should be even more familiar with rules of assessment than the assessor, for they act in a final capacity in approving the assessment.

Cooperation Between the Board of Review and the Assessors

Nothing is more important than that the board should uphold and strengthen the work of able and conscientious assessors. If an assessor has honestly attempted to follow the law and has made his assessment strictly in accordance therewith, the board should uphold these assessments.

One of the most disagreeable tasks facing the board of review is the revision of the assessment by an assessor who has failed to follow the instructions and whose work lacks uniformity. In such cases, it is frequently necessary for the board to revise completely the assessment. Obviously it is to the advantage of the board to dissuade the assessor from the intention of making a non-uniform assessment. The threat of a complete revision of his work with the exception

of a very few instances should be sufficient to compel the adherence to a reasonable degree of uniformity.

In reviewing assessments the board should remember that it is only one cog in the county physical machinery, and if this machinery is to operate smoothly and produce adequate revenue to support the functions of local government the board must cooperate with the other physical agencies. The board occupies a rather unique position in that it holds the final power not only to determine any individual assessment, but also the aggregate valuation for the taxing district in the county. In its action it must keep uppermost in mind not only its duty to individual taxpayers but also its duty to taxpayers throughout the district.

It is especially important that the board should attempt to build up respect for high assessment standards and correct procedure. Once it has approved an assessment it should regard that assessment as its own and should be ready to defend it as such before the taxpayers and the courts.

Laws Relating to Boards of Review

Local board of review.

7129. The township trustees shall constitute the local board of review for the township or the portion thereof not included within any city or town, and the city or town council shall constitute such board for such city or town.

The board shall meet on the first Monday of April, at the office of the township, city or town clerk or recorder, and sit from day to day until its duties are completed, which shall be not later than the first day of May, and shall adjust assessments for the township, city or town by raising or lowering the assessment of any person, partnership, corporation, or association as to any or all of the items of his assessment, in such manner as to secure the listing of property at its actual value and the assessment of property at its taxable value, and shall also add to the assessment rolls any taxable property not included therein, assessing the same in the name of the owner thereof, as the assessor should have done; provided that:

1. In townships having a population of twenty thousand or more, and situated entirely within the limits of a city under special charter, and in cities having a population of twenty thousand or more, including cities under special charters, the board of review may begin the performance of the duties herein defined on and after the first day of March each year.

2. In cities having a population of ten thousand or over, such board shall meet on the first Monday of May and shall complete its duties not later than the first day of June.

In townships having a population of twenty thousand or more, and situated entirely within the limits of a city under

special charter, and in cities under special charters having a population of twenty thousand or more, the city council of said city shall be the board of review, except that the township trustees of said townships may, in the event the city council does not act as such board of review for such townships, be the board of review, the same as township trustees would be in townships in which the township lines are not coterminous with city limits.

Applicable to special charter cities by Sec. 6870.

Error by assessor can be corrected only by local board of review. Opinion of the Attorney General, 1930, p. 308.

1. **Special charter cities.** Under statutes relating to cities acting under special charter, held, that the city council was authorized to act as a board of equalization as in cities under the general incorporation law. *Kinsey vs. Sweeney*, 63-254; 18 NW 896.

2. **Functions of local board.** The township board possesses the power to equalize the assessments of persons to the same extent as it was possessed by the board of supervisors under Section 7137. *Keck vs. Board*, 37-547.

2-a. **Local boards of review have power of assessment.** *Johnson vs. Miller*, 251 NW 747. *First Nat. Bank v. City*, 182-107; 161 NW 706.

3. **Equalization of individual assessment.** *Smith vs. Board*, 30-531.

4. **Burden of proof.** Where the taxpayer attacks the action of the board of equalization in raising his assessment on the ground that it has not jurisdiction, it is for him to prove the fact upon which the alleged want of jurisdiction rests, for instance, that there was not a quorum present, or that the majority did not concur, or that there was no proper evidence to act upon. *King vs. Parker*, 73-757; 34 NW 451.

5. **Unallowable individual raise.** The fact that a particular class of property is assessed to owners thereof at less than is proper will not authorize the board to increase the assessment on such property in the case of one particular taxpayer. Such a change would increase rather than diminish the irregularity of assessment. *Ingersoll vs. Des Moines*, 46-553.

6. **Adding to moneys and credits.** The board is authorized to add to the assessment of the taxpayer's moneys and credits and increase his assessment as based thereon. *King vs. Parker*, 73-757; 34 NW 451.

7. **Details of moneys and credits.** There is no provision that the board of review shall list the kind and character of items under the head of moneys and credits in making an assessment on moneys and credits not returned by the assessor. *Barhydt vs. Cross*, 156-271; 136 NW 525.

8. **Determining situs of property.** The statutory provisions as to the local board of review do not confer authority upon such tribunal to transfer property for assessment purposes from one school district to another. The determination of a question as to the locality within the township at which personal property shall be entered on the assessment rolls is left entirely to the assessor. *Ind. Sch. Dist. vs. Board*, 131-195; 108 NW 220.

9. **Unauthorized change in real estate values.** The board of equalization has no authority to equalize the assessments of real estate in the years when such assessments are not authorized to be made. *Goold vs. Lyon Co.*, 74-95; 36 NW 906.

Revaluation and reassessment of real estate.

7129-e1. In any year after the year in which an assessment has been made of all the real estate in any taxing district, it shall be the duty of the local board of review, where it finds the same has changed in value, to revalue and reassess any part or all of the real estate contained in such taxing district, and in such case, it shall determine the true value thereof. If the assessment of any such property is raised, or any property is added to the tax list by the board, the clerk shall give notice in the manner provided in Section 7131, provided, however, that if the assessment of all property in any taxing district is raised the board may instruct the clerk to give immediate notice by one publication in one of the official newspapers of said county, and such published notice shall take the place of the mailed notice provided for in Section 7131, but all other provisions of said section shall apply. The decision of the local board as to the foregoing matters shall be subject to appeal in the manner provided by law relating to appeals from equalization of assessments by local boards.

Note: New. Enacted by 45 G. A.

Clerk—assessment correction.

7130. The clerk or recorder of the township, city or town, as the case may be, shall be clerk of the board of review and keep a record of its proceedings, and the assessor shall be present at its meeting and make upon the assessment rolls all corrections or additions directed by the board. At such meetings it shall be the duty of the assessor to read each and every taxpayer's name and assessment on the assessment rolls, and, if the assessment is approved, pass to the next name. After checking the same, the board shall then take up the unchecked names in alphabetical order, and raise or lower the same as in their opinion will be just, checking off each taxpayer as the same is adjusted.

1. **Record directory.** The provision as to the record of the action of the board is directory and the fact that the record does not show any action on the part of the board will not prevent an appeal where there has been a controversy determined before them. *Hutchinson vs. Board*, 66-35; 23 NW 249.

Notice of assessments raised.

7131. In case the value of any specific property or the entire assessment of any person, partnership, corporation, or association is raised, or new property is added by the board, the clerk shall give immediate notice thereof by mail to each at the post office address shown on the assessment rolls, and at the conclusion of the action of the board therein the clerk shall post an alphabetical list of those whose assessments are thus raised and added, in a conspicuous place in the office or place of meeting of the board, and enter upon the records

a statement that such posting has been made, which entry shall be conclusive evidence of the giving of the notice required. The board shall hold an adjourned meeting, with at least five days intervening after the posting of said notices, before final action with reference to the raising of assessments or the adding of property to the rolls is taken, and the posted notices shall state the time and place of holding such adjourned meeting, which time and place shall also be stated in the proceedings of the board.

Complaint to board of review.

7132. Any person aggrieved by the action of the assessor in assessing his property may make oral or written complaint thereof to the board of review, which shall consist simply of a statement of the errors complained of, with such facts as may lead to their correction, and any person whose assessment has been raised or whose property has been added to the assessment rolls, as provided in the preceding section, and any member of the board of review aggrieved by any action of the board of review of which he was, at the time complained of, a member, shall make such complaint before the meeting of the board for final action with reference thereto, as provided in said section.

1. **Source of information.** The board acts with reference to the assessment returned by the assessor, and is authorized to act on the same sources of information. *Ferguson vs. Board*, 119-338; 93 NW 352.

2. **Delegation of authority.** Whether or not the board has a right to appoint a committee to hear complaints, the fact that it does appoint such committee cannot be made an objection on the part of a taxpayer who had an opportunity to be heard by the board. *Burlington G. L. Co. vs. City*, 101-458; 70 NW 628.

3. **Proper party complainant.** A national bank representing its stockholders is a party in interest as to the taxation of its stock and may appear before the board of review and make complaint of the assessment of such stock. *First Nat. Bank vs. Independence*, 123-482; 99 NW 142.

4. **Form of complaint.** No special form of complaint is required, and if the objections are called to their attention it is sufficient. *Burns vs. McNally*, 90-432; 57 NW 908.

5. **Right of lessee.** A lessee of real estate who has contracted to pay, as part of the rent, all taxes on the land, and who has the right under the lease to contest the validity of any assessment on the land, may institute and maintain such contest in his own name, even though he might under the lease make such contest in the name of the landlord. *Chapman Bros. vs. Board*, 209-304; 228 NW 28.

6. **Burden of proof.** A property owner has the burden of proof to show that the valuation placed upon his property by the board of review, for taxation purposes, is excessive or inequitable. *Appeal of Blank*, 214-863; 243 NW 173.

7. Notice of appeal from assessment is sufficient if addressed to and served on permanent presiding officer of reviewing board. *Midwest Realty Co. vs. City*, 231 NW 459.

Appeal.

7133. Appeals may be taken from the action of the boards with reference to such complaints to the district court of the county in which such board holds its sessions, within twenty days after its adjournment. Appeals shall be taken by a written notice to that effect to the chairman or presiding officer of the reviewing board, and served as an original notice.

Manner of service, Sec. 11060 of the Code.

Trial on appeal.

7134. The court shall hear the appeal in equity and determine anew all questions arising before the board which relate to the liability of the property to assessment or the amount thereof, and its decision shall be certified by the clerk of the court to the county auditor, who shall correct the assessment books in his office accordingly.

Applicable to special charter cities, Sec. 6870.

Appeal on behalf of public.

7135. Any officer of a county, city, town, township or school district interested or a taxpayer thereof may in like manner make complaint before said board of review in respect to the assessment of any property in the township, city, or town and an appeal from the action of the board of review in fixing the amount of assessment on any property concerning which such complaint is made, may be taken by any of such aforementioned officers.

Such appeal is in addition to the appeal allowed to the person whose property is assessed and shall be taken in the name of the county, city, town, township, or school district interested and tried in the same manner, except that the notice of appeal shall also be served upon the owner of the property concerning which the complaint is made and affected thereby or person required to return said property for assessment.

Applicable to special charter cities, Sec. 6870.

1. **Appeal by supervisor.** A member of the board of supervisors of the county is an officer of such county authorized under this section to appeal from the action of the board of review. In re Assessment of Farmers' L. & T. Co. 155-536; 136 NW 543.

2. **Appeal by board.** The city may appeal from the district court to the supreme court as to a decision of the district court adverse to the action of the board of equalization. Farmers' L. & T. Co. v. Newton, 97-502; 66 NW 784.

Power of court.

7136. Upon trial of any appeal from the action of the board of review fixing the amount of assessment upon any property concerning which complaint is made, the court may

increase, decrease, or affirm the amount of the assessments appealed from.

Applicable to special charter cities, Sec. 6870.

County board of review.

7137. The board of supervisors shall constitute a county board of review, and shall adjust the assessments of the several townships, cities, and towns of their county at their regular meeting in June, and add to or deduct from the assessed value of the property substantially as the state board adjusts assessments of the several counties of the state.

1. **Equalization powers contrasted.** The power of county boards of equalization is plainly limited to equalizing by adding to, or taking from the aggregate valuation of townships, cities, and towns as a whole, and not as to parts thereof. Such board has no authority to equalize among assessment districts which are embraced in the same city. The city board has ample power to remedy inequality as among assessment districts by raising or lowering the assessments throughout the city. *Montis vs. McQuiston*, 107-651; 78 NW 794.

2. **Equalization of individual assessments.** The board has no power to raise or lower the assessment of an individual taxpayer and a tax based thereon is void. *Rood vs. Board*, 39-444. *Royce vs. Jenney*, 50-676. See *Missouri Valley & B. R. & B. Co. vs. Harrison Co.*, 74-283; 37 NW 372.

3. **Equalization between parts of district.** Where two townships being included within the corporate limits of a city comprise but one assessorial district, the county board of equalization cannot equalize taxation as between such townships, but can only act upon the whole district. *Getchell vs. Board*, 51-107; 50 NW 574.

4. **Equalization between districts.** The board may equalize by adding to, or deducting from, the valuation of different classes of property in the different townships, as well as by increasing or diminishing the aggregate valuation of all the property therein. *Harney vs. Board*, 44-203.

5. **Equalization of classes of property.** While the township trustees have power to equalize assessments of taxpayers within their township, yet the board of supervisors may overrule their action for the purpose of securing uniform taxation throughout the county upon the different classes of property. *Cassett vs. Sherwood*, 42-623.

Appeals.

7138. Appeals may be taken from any action or decision of a county board of review by the board of review of any city, town, or township aggrieved thereby, within the same time and in the same manner as appeals are taken from the local board of review.

1. **Exclusive remedy.** The action of the county board of equalization can only be reviewed upon appeal or by certiorari, not by injunction. *Macklot vs. Davenport*, 17-379. *District Tp. vs. Brown*, 47-25.

CHAPTER XII

POWERS OF STATE BOARD OF ASSESSMENT AND REVIEW

Laws Relating to the Powers of State Board of Assessment and Review

Powers.

6943-c27. In addition to the powers and duties transferred to the state board of assessment and review, said board shall have and assume the following powers and duties:

1. To have and exercise general supervision of the administration of the assessment and tax laws of this state, of boards of supervisors and all other officers or boards of assessment and review in the performance of their official duties, in all matters relating to assessment and taxation, and to have the power to order a reassessment of any or all of the property in any taxing district when in its judgment it is necessary, and in the event the valuation of the assessed property is increased to assess the costs thereof in the case of an individual taxpayer to said taxpayer, and in the case of a taxing district or unit to the unit assessed, to the end that all assessments of property and taxes levied thereon be made relatively just and uniform in substantial compliance with the law. Where the costs are taxed to the taxpayer they shall be added to the taxes assessed against said taxpayer and shall be collected in the same manner as are other taxes, and where the costs are assessed against a particular taxing district or unit they shall be paid by said taxing district or unit.

2. To prescribe and promulgate all forms of books and forms to be used in the listing and assessment of property, and on or before November first of each year shall furnish to the county auditor of each county such prescribed forms of assessment rolls and other forms to properly list and assess all property subject to taxation in each county. It shall also from time to time prepare and furnish in like manner forms for any and all other blanks, memoranda or instructions which it deems necessary or expedient for the use or guidance of any of the officers over which it is authorized by law to exercise supervision.

State board of assessment and review may require data sheets and order board of supervisors to pay the costs thereof. Such work extra or special service under Section 5669. Opinion of the Attorney General, 1931, p. 136.

State board of assessment and review has the power and authority to specify and designate the forms to be used by the assessors of the various townships and it is mandatory that such forms be used. Opinion of the Attorney General, 1930, p. 361.

3. To confer with, advise and direct boards of supervisors, boards of review and others obligated by law to make levies and assessments, as to their duties under the laws.

4. To direct proceedings, actions and prosecutions to be instituted for the enforcement of the laws relating to the penalties, liabilities and punishment of public officers, and officers or agents of corporations, and other persons or corporations, for failure or neglect to comply with the provisions of the statutes governing the return, assessment and taxation of property; to make or cause to be made complaints against members of boards of review, boards of supervisors or other assessing, reviewing or taxing officers for official misconduct or neglect of duty.

5. To require city, town, township, school districts, county, state or other public officers to report information as to the assessment of property and collection of taxes and such other information as may be needful or desirable in the work of the board in such form and upon such blanks as the board may prescribe.

6. To hold public hearings, either at the seat of government or elsewhere in the state; to require by subpoena the attendance and testimony of witnesses; to sign subpoenas, administer oaths and affirmations; to examine witnesses and receive evidence; to compel witnesses to produce for examination records, books, papers and documents relating to any matter which the board shall have the authority to investigate or determine; to examine the books and records of any person, firm, association or corporation within the county whenever it has reason to believe that such person, firm, association or corporation has not listed its property as provided by law.

In all hearings where the decision of the board is against the taxpayer the board shall tax the costs against the taxpayer, otherwise they shall be taxed to the state. The fees and mileage to be paid and taxed as costs shall be the same as prescribed by law in proceedings in the district court of this state in civil cases. Where the costs are taxed to the taxpayer they shall be added to the taxes assessed against said taxpayer and shall be collected in the same manner as are other taxes.

In case of disobedience to a subpoena the board may invoke the aid of any court of competent jurisdiction in requiring the attendance and testimony of witnesses and the production of records, books, papers and documents, and such court may issue an order requiring the persons to appear before the board and give evidence or to produce records, books, papers or documents, as the case may be, and any failure to obey such order of the court may be punished by the court as a contempt thereof.

Testimony or hearings before the board may be taken by a deposition as in civil cases and any person may be compelled

to appear and depose in the same manner as witnesses may be compelled to appear and testify as hereinbefore provided.

7. To cause the depositions of witnesses residing within or without the state, or absent therefrom, to be taken either on written or oral interrogatories, and the clerk of the district court of any county shall upon the order of the board issue a commission for the taking of such depositions. The proceedings therefor shall be the same as the proceeding for the taking of depositions in the district court so far as applicable.

8. To investigate the work and methods of boards of review, boards of supervisors or other public officers, in the assessment, equalization and taxation of all kinds of property, and for that purpose the board, and members or employees thereof may visit the counties or localities when deemed necessary so to do.

9. To require any board of review at any time after its adjournment to reconvene and to make such orders as the state board of assessment and review shall determine are just and necessary; to direct and order any board of review to raise or lower the valuation of the property, real or personal, in any township, town, city or taxing district, to order and direct any county board of equalization to raise or lower the valuation of any class or classes of property in any township, town, city or taxing district, and generally to make any order or direction to any county board of equalization as to the valuation of any property, or any class of property, in any township, town, city, county or taxing district, which in the judgment of the board may seem just and necessary, to raise or lower the valuation of any piece of property in any taxing district when in their judgment it is necessary, to the end that all property shall be valued and assessed in the manner and according to the real intent of the law, provided, before raising the valuation of any property anywhere in any taxing district, the board must give ten days' notice of its intention to so raise the valuation and in the case of a taxing district or unit the notice shall be served upon the county board of supervisors by serving the notice upon the county auditor, and in the case of a taxpayer the notice shall be served upon the taxpayer.

State board of assessment and review may reconvene county or local board or change assessment on any piece of property. Opinion of the Attorney General, 1929, p. 195.

9-a. To correct errors, irregularities, or omissions in assessments of individual taxpayers by adding to the tax list any omitted property or by raising, lowering, or abating an assessment found to be erroneous or excessive; provided, that before making any increase in any assessment or assessment of any property as omitted property the board shall notify the owner of record or person assessed with such property by

registered mail addressed to such person at his last known place of residence notifying him to appear before said board within ten days from the mailing of said notice and show cause why such increase or addition should not be made; provided, that any party aggrieved by the action of the state board may within twenty days after such action has been taken appeal from the action of the state board to the district court of the county where the property is situated by serving on the chairman of the state board a written notice of appeal in the same manner as provided for the service of original notices. The state board shall notify the county auditor or county treasurer of any such correction or change and the county auditor or county treasurer shall amend the assessment roll and/or tax list to conform to the order of the board; but no correction or change of assessment shall be made by the state board after the expiration of five years from the date when such assessment was made or should have been made.

Appeal from action of board to district court should follow same procedure as appeals from local boards of review, Opinion of the Attorney General, 1931, p. 158.

10. To carefully examine into all cases where evasion or violation of the law for assessment and taxation of property is alleged, complained of, or discovered, and to ascertain wherein existing laws are defective or are improperly or negligently administered, and cause to be instituted such proceedings as will remedy improper or negligent administration of the laws relating to the assessment or taxation of property.

11. To make a summary of the tax situation in the state, setting out the amount of moneys raised by both direct and indirect taxation; and also to formulate and recommend legislation for the better administration of the fiscal laws so as to secure just and equal taxation. To recommend such additions to and changes in the present system of taxation that in its judgment is for the best interest of the state and will eliminate the necessity of any millage levy for state purposes.

12. To transmit biennially to the governor and to each member and member-elect of the legislature, thirty days before the meeting of the legislature, the report of the board, covering the subject of assessment and taxation, the result of the investigation of the board, its recommendations for improvement in the system of taxation in the state, together with such measures as may be formulated for the consideration of the legislature.

13. To publish in pamphlet form the revenue laws of the state and distribute them to the county auditors, assessors, and board of review.

14. To procure in such manner as the board may determine

any information pertaining to the discovery of property which is subject to taxation in this state, and which may be obtained from the records of another state, and may furnish to the board or proper officers of another state, any information pertaining to the discovery of property which is subject to taxation in such state as disclosed by the records in this state.

15. To call upon any state department or institution for technical advice and data which may be of value in connection with the work of assessment and taxation.

16. To certify to the state comptroller on January first of each year the aggregate of each state tax for each county for said year.

1. **Reduction in assessment—power of board.** The state board of assessment and review has power, in an even numbered year, and for the purpose of attaining a new basis for the computation of taxes in and for said year, to order the county board of equalization with notice to lower the assessed valuation of the real property in a township, though it be true, of course, that said assessed valuation was made and legally confirmed in the preceding odd numbered year. *State vs. Board*, 211-1116; 235 NW 303.

2. **Order for reduction—discretion.** A valid order by the state board of assessment and review to a board of supervisors to reduce certain assessed valuations, leaves said board of supervisors with no discretion as to compliance with the order. *State vs. Board*, 211-1116; 235 NW 303.

Actions.

6943-c30. The board may bring actions of mandamus or injunction or any other proper actions in the district court or before any judge thereof, to compel the performance of any order made by said board or to require any board of equalization or any other officer or person to perform any duty required by this chapter. Said board shall select the district court in the county which is most accessible to the subject matter, and the defendant or defendants in any such action; but no removal of the question to any other county shall be had by any defendant in consequence of his not being a resident of the county where the action is brought or because the subject matter shall not be located in the county in which said action may be brought.

1. State board of assessment and review could have mandamus to compel compliance by county supervisors with order directing reduction of assessed valuation. *State vs. Board of Sup.*, 211-1116; 235 NW 303.

CHAPTER XIII

QUESTIONS AND ANSWERS RELATING TO
ASSESSMENT

GENERAL

Has the local assessor the right to examine the books of banks or other corporations?

The local assessor does not have the right or power to examine the books of a bank or other corporation for any purpose.

What property is exempt from taxation?

Only such property as is specifically listed in the sections of the Iowa code devoted to exemptions, and then only under the conditions provided by the code. The general rule is that taxation is the rule and exemption the exception. Therefore, only such exemptions as specifically ordered by the code should be allowed.

What property is taxable?

All property, real, personal, tangible and intangible, except as provided in the sections of the code covering exemptions.

Who must list property subject to taxation?

Every inhabitant of this state, of full age and sound mind, shall list with the assessor all property subject to taxation within the state, of which he is the owner, or has the control or management.

How should a person list the property of another, of which he has control or management?

Any person required to list the property of another shall list it in the same county in which he would be required to list it if it were his own, except where otherwise directed by law; but, he shall list it separately from his own, giving the assessor the name of the person or the state to which it belongs.

Is an agent personally liable for the assessment of property of another in his possession?

Yes. He is required to list all moneys, notes, credits or personal property at their real value and he is personally liable for the tax on the property. If he refuses to render the list or to swear to the same the property may be listed and valued according to the best knowledge and judgment of the assessor.

Is the place of listing property fixed by law?

Yes. The Iowa law provides that moneys and credits, notes, bills, bonds and corporate shares or stocks not otherwise assessed shall be assessed where the owner lives, except as otherwise provided, and except that, if personal property not consisting of moneys, credits, corporation or other shares of stock or bonds has been kept in another assessment district during the greater part of the year preceding the first of January, or of the portion of the year during which it was owned by the person subject to taxation therefor, it shall be taxed where it has been so kept.

How should grain, coal and ice dealers be assessed?

Section 6965 of the code provides that grain, coal and ice dealers shall be assessed upon the average amount of capital used by them in conducting their business. Such assessment shall be listed as personal property. In determining the average value of the amount of capital so used the assessor shall take the total of the yearly business transacted and divide that amount by 12, this sum to be assessed at actual value the same as all other personal property. For example: If the total of the year's business amounts to \$240,000, one twelfth of that amount would be \$20,000, the amount to be assessed.

Who shall be considered a merchant for assessment purposes?

Any firm, person or corporation owning or having in his possession or under his control within the state, with authority to sell the same, any personal property purchased with a view to its being sold, or which has been consigned to him from any place outside this state to be sold within the same, or to be delivered or shipped by him within or without this state, except a warehouseman (as defined in section 9718, Code of Iowa) shall be considered a merchant for the purposes of assessment.

Whom does the law require to fix the valuation of all property assessed?

The assessor. Each person assessed is required by law to assist the assessor in listing his property for taxation, but the values thereon under Section 7106 of the code, must be determined by the assessor.

Must the assessor administer the oath to each person assessed?

Yes. The assessor must administer the oath or affirmation printed on the assessment rolls to each person assessed and in case any person refuses to take such oath or affirmation the assessor shall note the fact on the roll.

Is it necessary that every person assessed receive a copy of the assessment roll?

Yes. The law requires that a duplicate roll be furnished the owner of all property assessed. If the owner is a resident the copy should be delivered at the time the assessment is made. If a non-resident, the roll should be mailed to his last known residence.

Must the owner's duplicate agree as to values with the original roll?

Yes. The duplicate roll must agree in every respect with the original that is retained by the assessor. The assessor's book must, also, agree with the rolls. Once a duplicate roll has been issued no change can be made in an assessment without proper notice to the owner of the property.

Must the county auditor furnish plat books?

Yes. The county auditor must supply to each assessor a plat book of his district showing the lands and lots, the name of the owner and the boundary lines and distances and the number of acres to be deducted for roads or other public improvements. See Sec. 7120.

Must property owners be notified as to the time and place of meeting of the board of review?

Yes. Every owner must have the opportunity of appearing before the board of review if he desires, to show cause why the assessment of his property should be changed.

What are the duties of the assessor in connection with the meeting of the board of review?

The assessor must attend all meetings of the local board of review and must make upon the assessment rolls all corrections or additions directed by the board. He shall also read each taxpayer's name and assessment on the assessment rolls. If the assessment is approved he then shall pass to the next name.

Must notice be given to owners whose valuations are increased by the board of review?

Yes. Notice must be given immediately by mail by the clerk who, at the conclusion of the action of the board, must also post in a prominent place an alphabetical list of those whose assessments have been raised or added to. The owners must also be given opportunity at an adjourned meeting to appear and show cause why the assessment should not be so changed.

Must the assessor collect road poll tax?

Yes. Collection of road poll tax is a duty imposed by law upon the assessor of any township. The funds so collected must be delivered to the county treasurer.

Who must pay road poll tax?

All male persons between the ages of 21 and 45 who are residents of the county outside the corporate limit of the cities or towns.

Who may claim exemption from road poll tax?

Any person, who because of physical disability or inability to pay may appear before the local board of equalization and present his claim for exemption from the tax. The decision of the local board shall be final.

What pay does the assessor receive, and how is the amount determined?

Section 5573 of the Code provides that each township assessor shall receive in full for all services required of him by law a sum, fixed annually by the board of supervisors at its January meeting on the basis of four dollars for each day of eight hours which the board determines may necessarily be required in the discharge of all official duties. Town assessors in cities of the second class shall receive the same compensation as township assessors which shall be determined in the same manner.

How should signboards and billboards be assessed?

The large boards (10x25 feet) should be assessed on the average at \$24 to \$36. Smaller boards should bear an assessment of \$1.50 to \$2.00 per lineal foot. The name of the owner of the boards will be found on the board. The assessment should be made to the owner and a duplicate roll mailed to him where it cannot be personally delivered to him.

Is there any exemption on threshing machines?

No. Threshing machines must be assessed at actual value and no exemption can be allowed.

How should telephone, telegraph, transmission and pipe lines and railroads be assessed?

The local assessor has nothing to do with the assessment of the above property. Such assessments are made by the State Board of Assessment and Review. The same is true of express companies.

How should power, transmission and gas lines inside corporations be assessed?

Power, transmission and gas lines inside corporations and all public utilities are now assessed by the State Board of Assessment and Review. The local assessor has nothing to do with such assessments.

How should the property of construction companies, such as road building machinery be assessed?

It should be assessed in the taxing district in which it is owned, and will be placed on the rolls by the assessor in the district in which the company offices are maintained except where it is kept most of the time in some other taxing district.

How is the data sheet used in connection with the assessment of real property?

The data sheet is a work sheet which should serve as a guide to the assessor in placing a valuation on real estate. The data sheet is the only record which will show the physical condition of the property, as well as the true and full value which the assessor considers the property worth. Assessment rolls and books should correspond with the data sheets in that they should represent the true, full and normal value of the property as shown by the data valuation sheet.

Who determines the values which appear on the data valuation sheet?

The assessor. Other sources of information concerning values may be accepted as advisory but in the last analysis, the value which is placed on the sheet must be the value determined by the assessor.

Has there been any change in the assessment of public utility plants?

Yes. Public utility plants are now assessed by the State Board of Assessment and Review under Section 6979 of the Code of Iowa. The local assessor now has nothing to do with the assessment of this property nor does he assess their merchandise stores.

For what period of time are soldiers' exemptions granted?

The exemptions to soldiers, made under Section 6946 of the Code are made for one year's duration and even though the property should change owners during the year the exemption is in force until the following year.

May boards of supervisors allow exemption to other than soldiers, sailors, marines and nurses of the various wars?

Yes. The board may suspend for the current year, or may cancel and remit for the year, the tax due from persons, who, because of age or infirmity are unable to contribute to the public revenue. Such exemption can be allowed only upon receipt of a properly prepared, sworn and filed statement.

Is a person drafted for service during the World War and subsequently relieved from the draft entitled to military exemption under Section 6946?

No. The only persons entitled to such exemption are those

actually inducted into the service and holding an honorable discharge from the branch of the service with which he was connected, such as the army, navy or marine corps. An honorable discharge from the draft is not a basis for such exemption.

PERSONAL PROPERTY

Are farm implements assessable—and if so—how and at what value? Please explain.

Under the state law all property in Iowa, unless specifically exempted, is subject to taxation and is therefor assessable. In answer to your question at hand, farm machinery is specifically exempted to the extent of \$300 and any value above \$300 is assessable.

There is considerable misunderstanding in reference to the assessment on this type of property, and in order to make plain and to give you the policy of the department, may we say in this case the assessor must use his good judgment as contemplated by the statute, and he must be fair and reasonable in fixing values on farm machinery. No class of property depreciates more rapidly than does farm machinery, and it is our judgment that if the exemption is taken as provided by law, on the average farm there will be very little, if any, farm machinery left to be assessed. It is true that in some instances on highly developed farms there would be valuable machinery to such an amount that an assessment could be sustained even after the exemption is made.

However, on the average farm the machinery thereon would hardly sustain the assessment.

The assessor must be the real judge and he must act with fairness and consideration to the farmer in all cases.

Are household goods assessable and taxable, and if so, how?

Under the law all property not specifically exempted, is assessable and taxable at its fair and reasonable value. In the case of household goods however, under Section 6944, there is a general exemption of \$300 and in addition all beds and bedding and all kitchen equipment, including electric refrigerators, are exempt. After taking these exemptions, any household goods left would be assessable at their true, fair and normal value. In a practical way, however, in the ordinary average household there would be little, if any, left to assess, for the reason that the actual value of used household property is very low, and the exemptions provided will, in most cases, exclude any assessment. Of course, in a pretentious home where valuable rugs and rich furnishings are found, then, there would be an assessment of household goods. Practically, therefore, as stated above, *there would be no assessment on house-*

hold furnishings in the average household, and the assessor should not be too arbitrary in regard to these assessments.

How should stocks of merchandise be assessed; should obsolete goods be deducted and what about inventories?

Stocks of merchandise should be valued and assessed at their fair and reasonable value on the basis of the average amount of stock carried throughout the year. Section 6972 of the Code directs that the last inventory be taken into consideration, and this section places the responsibility squarely on the shoulders of the assessor in arriving at the average value of the stock. Under normal conditions the average value of stock carried in the year next preceding the time of assessment is a good rule. In many instances where a person has been in business a considerable period of time there is an accumulation on their shelves of obsolete goods and frequently the merchant invoices the obsolete goods at original cost when in fact the goods are not worth the amount shown on the inventory. In all fairness the merchant should be permitted to deduct the difference between the purchase price of such goods and its present value. *The law contemplates only an assessment of stocks of merchandise at its fair, reasonable and normal value* and this is the basis that every assessor should use in making assessments on stocks of merchandise. Obsolescence and depreciation must be taken into consideration. Invoices are sometimes unreliable because it is human nature for a merchant to show a good invoice when in fact the stock of goods for taxation purposes would be worth much less than the invoice shows. An assessor should be guided by the statement of the owner, and only when he is convinced that the owner is misleading him should he make an arbitrary assessment.

When is personal property assessed in Iowa?

Personal property, being more subject to change than realty, is assessed every year in Iowa. It is not carried forward from year to year on the tax books and is only subject to tax if entered by the assessor each year. For that reason it is essential that care be exercised in listing all personal property which is subject to tax each time an assessment is made.

Are private libraries assessable?

Private and professional libraries, to the actual value of three hundred dollars, are exempt from taxation. Their value, above that amount is taxable.

How is personal property in the possession of a warehouseman assessed?

All warehousemen are required, upon request of the assessor, to supply the assessor with a written statement show-

ing all property in his possession belonging to another and subject to taxation, and showing the name and address of the owner. If the warehouseman fails or refuses to supply the assessor with such statement, all such property in his possession shall be deemed to be owned by the warehouseman and he shall be personally liable for the taxes on such property.

How should lumber yards be assessed?

Lumber yards should be assessed at actual value, the same as any other stock of merchandise. The same care in ascertaining the true inventory value should be used in the assessment of lumber yards as is used in the assessment of any other stock of merchandise.

Is personal property under writ of attachment and in the hands of the sheriff subject to assessment and if so, to whom?

Yes, it is subject to assessment and should be assessed to the owner.

Are sets of abstract books assessable? If so, what space on the assessment roll are they to be entered? How should they be valued?

Yes. Abstract books are assessable. They should be entered as "other personal property." The question of valuation is one which must be left to the good judgment of the assessor who should determine as nearly as possible the actual value of the property and assess it at this actual value.

How should portable grinding machines be assessed?

Where owned locally, they should be placed on the roll by the local assessor and assessed to the owner. Where owned by an outside corporation they will be assessed to the corporation in the tax district where owned.

Should unlicensed automobiles in the hands of dealers, be assessed as personal property? If so, how is the assessment made?

Unlicensed cars in the possession of dealers should be assessed as merchandise. The average number of cars on hand during the year should be used as the basis for valuation, which should be at actual value. If the dealer receives the cars on consignment, and is not the owner, the cars should be assessed to him as agent.

How are buildings on leased lands assessed?

Buildings on leased land under three years—that is, where the lease is for a period of less than three years—are assessed as personal property, and the assessment is made each year. Buildings on leased land over three years are assessed as real estate and the assessment is made every four years, the same as all other real estate.

Are electric light bulbs held on consignment by dealers subject to assessment in the tax district where they are held?

Yes. This property should be assessed in the same manner as other stocks of merchandise, that is on an average inventory value. It should be assessed to the person in whose possession it is, as agent. This rule applies to any other merchandise held on consignment for sale in any community. It should all be assessed and copies of the roll given the agent.

Must the assessor accept the valuation placed upon personal property by the owner in any case?

No. The assessor is required to use his own judgment in placing a valuation on any property. Of course, in making the final decision as to the value, the owner's statement should be given consideration.

Where personal property is kept in one taxing district part of the year, and the remainder of the year in another, where should it be assessed?

It should be assessed in the district in which it is located for the greater part of the year.

How should airplanes be assessed?

Airplanes should be assessed in the same manner as other personal property at the present, actual value. The actual value would be the present cost of the machine new, less the proper amount of depreciation.

What constitutes a commercial tractor?

A commercial tractor is one used by the owner for hire. By this is meant a tractor which an owner makes a practice of using for some purpose for which he receives a wage. It would not necessarily mean that a tractor which, because of some unusual circumstance, had been used at one time or another for hire, must be classified as a commercial tractor. Commercial tractors are assessed without exemption. Other tractors are listed with farm machinery, from the total value of which \$300 exemption is allowed.

What is the exemption on agricultural produce?

The agricultural produce harvested by or for the person assessed within one year previous to the listing, all wool shorn from his sheep within such time, all poultry, ten stands of bees, all swine and sheep under nine months of age and all other domestic animals under one year of age are exempt from assessment and taxation.

REAL ESTATE**When is real estate assessed in Iowa?**

Real estate is assessed in Iowa every four years. Then, unless some definite physical change has taken place in the property, it is carried forward without change in the succeeding three years.

How should buildings erected between real estate assessment years be assessed?

Section 6959 of the Code provides that the assessor shall list and assess any real property not included in the previous assessment in each year in which real estate is not regularly assessed, and also any buildings which have been erected since the previous assessment.

How is real estate, the ownership of which is unknown, assessed?

When the name of the owner of any real estate is unknown the assessor shall assess the property without connecting therewith any name, but shall inscribe at the head of the page the words "owners unknown," and such property, whether lands or town lots, shall be listed as nearly as possible in the order of the numbers thereof.

To whom shall the real estate of a deceased owner be assessed?

The real estate of a person deceased may be listed as belonging to his estate or as belonging to his heirs, without naming them individually.

For assessment purposes, how much land shall be included in any one description and assessment?

Section 6962 of the Code provides that no one description shall comprise more than one town lot in assessing town and city property. In assessing lands no one description shall include more than the sixteenth part of a section (40 acres) or other smallest subdivision of the land according to the government surveys, except in cases where the boundaries are so irregular that it cannot be described in the usual manner in accordance therewith. This provision should be adhered to because, in the case of farms, every farm is comprised of several tracts of land which may vary in character of the soil, contour and improvements. In case of sale to different owners such division is necessary that each portion of the land may bear its just share of the tax burden and no more.

How shall forest and fruit tree reservations be assessed?

Forest reservations, fulfilling the requirements of the code, shall be assessed on a taxable valuation of four dollars per acre. Fruit-tree reservations shall be assessed on a taxable

valuation of four dollars per acre for a period of eight years from the time of planting.

Is machinery sometimes considered a part of real estate for assessment purposes, and if so, when?

Yes, machinery permanently attached to real property is to be assessed as real estate. Machinery so assessed should be attached to the building or land permanently and in such a way that its removal would injure the real estate. Machinery that is temporary in character and removable without injury should be classed and assessed as personal property to the owner thereof.

BANKS

How should deposits in closed banks be assessed?

In practically every instance, after the first disturbance and excitement of closing has passed, the receiver in charge and business men of the community interested in the affairs of the closed institution will be able to give the assessor a fairly accurate idea of the amount of dividend which depositors will receive. From this estimate, and allowing some margin of leeway for possible shrinkage, the assessment should be made. The history of closed banks in the state of Iowa has been that, on an average, the closed institutions have paid approximately 50 per cent on deposits. Of course, in every instance, the actual condition of the particular bank in question must be the determining factor. If, however, the receiver in charge estimates that a closed bank will pay 50 per cent to depositors an assessment of somewhat less than this amount would probably be a fair one. In every instance it will be advisable to consult with the receiver, personally if he is located in town; by mail if he is located elsewhere. If the assessor explains the purpose for which he is asking the information the examiner will give him prompt and complete cooperation.

How shall banks be assessed?

The following illustrations will demonstrate the method of assessing banks operating under state or national banking charters.

Assume three banks all holding different amount of real estate but all having the same capital stock, surplus and undivided profits. Bank A has

Capital Stock	\$30,000
Surplus	\$10,000
Undivided Profits	\$10,000

Bank A also has \$30,000 actually invested in real estate. The law provides that banks may deduct the actual amount of their capital invested in real estate, which in this case

would be taken from capital stock, which also is \$30,000 and would entirely consume the capital stock. This, then, would leave \$10,000 surplus and \$10,000 undivided profits which would be taxed as Moneys and Credits at actual value.

Bank B, with a capital stock, surplus and undivided profits of

Capital Stock	\$30,000
Surplus	\$10,000
Undivided Profits	\$10,000

has actually invested in real estate \$40,000. The present law permits the bank to deduct the full amount, or the full capital stock plus \$10,000 of the surplus, which would leave \$10,000 of surplus and undivided profits to be taxed as Moneys and Credits.

Bank C, with

Capital Stock	\$30,000
Surplus	\$10,000
Undivided Profits	\$10,000

has invested only \$10,000 in real estate. The present law permits Bank C to deduct from its capital stock the \$10,000, which would still leave \$20,000 of the capital stock which would be taxable as moneys and credits, then, the \$10,000 surplus and \$10,000 undivided profits would be taxed as Money and Credits.

How are private banks assessed?

Private banks shall be assessed as follows: The gross worth of the bank less the amount of the deposits, the amount invested in tax-free securities and the amount invested in real estate shall be taxed on the same basis as state and national bank stock. For example: A is the owner of a private bank, the gross assets of which are \$100,000. The bank has \$50,000 in deposits, \$5,000 invested in real estate and \$5,000 invested in tax-free securities. From the \$100,000 assets would then be deducted the \$50,000 in deposits, plus the \$5,000 invested in real estate, plus the \$5,000 in tax-free securities or a total of \$60,000, leaving a net sum of \$40,000. This amount would then be assessed on the same basis as Moneys and Credits.

MONEYS AND CREDITS

When are Moneys and Credits assessed in Iowa?

Moneys and Credits, the same as personal property, must be assessed each year. Like personal property, they are not carried forward on the tax books and are only levied upon if entered upon the assessment rolls each time the assessor makes the assessment.

Are obligations for rent assessable?

No. Under Section 6944, Code of Iowa, obligations for rent not yet due and owned by the original payee are exempt from taxation.

What are Moneys and Credits, as the term applies to assessment?

The term Credits includes every claim or demand due or to become due for money, labor or other valuable thing, every annuity or sum of money receivable at stated periods and all money or property of any kind secured by deed, title bond or mortgage or otherwise; but pensions of the United States or any of the states, or salaries, or payments for services not yet rendered but to be rendered are not included. The term Moneys and Credits, then, includes: Moneys, credits, and corporation shares or stocks except as otherwise provided, cash, circulating notes of national banking associations, and United States legal tender notes, and other notes, and certificates of the United States payable on demand and circulating or intended to circulate as currency, notes including those secured by mortgage, accounts, contracts for cash or labor, bills of exchange, judgments, choses in action, liens of any kind, securities, debentures, bonds, other than those of the United States, annuities, and corporation shares or stocks not otherwise taxed in kind. The above items, excepting shares of national, state and savings banks, and loan and trust companies and money capital as defined by the code, shall be assessed at actual value and taxed on a uniform basis throughout the state as Moneys and Credits, at six mills on the dollar.

What is the total tax levied on Moneys and Credits in Iowa?

The code provides that Moneys and Credits shall pay a uniform tax throughout the state of five mills. In addition, until the retirement of the soldiers' bonus bonds, an additional levy of one mill shall be made, making a total tax of six mills or six dollars per thousand dollars of actual valuation.

Are all debts deductible from a Moneys and Credits assessment?

No. Before a deduction can be claimed, the claimant must first state the name of the person owed. Also the debt must be a good faith obligation founded upon actual consideration. No deduction can be allowed for any deposit or security note given in aid of the organization of a mutual insurance company for the premiums of insurance; any unpaid subscription to any institution, society, corporation or company; any indebtedness contracted for the purchase of United States bonds or other nontaxable property, or any indebtedness given in the purchase of corporation stock from the assessment of that stock as Moneys and Credits.

What must the person assessed do to claim exemption in a Moneys and Credits assessment?

No person shall be entitled to any deduction from the amount of Moneys and Credits assessed unless he shall specifically state the nature of such indebtedness and the person to whom he is indebted and any other information which the assessor may require. See Section 6989-d1 Code of Iowa.

Are Postal Savings deposits assessable?

Postal Savings accounts are assessable as Moneys and Credits. They should be assessed in the same manner as bank deposits. As soon, however, as Postal Savings deposits are transferred to Bonds, they become obligation of the United States government, and are exempt from assessment.

How are shares of stock of foreign corporation owned by persons in this state assessed?

As Moneys and Credits. Unless specifically exempted, stock of foreign corporations shall be assessed at actual value and carry the regular Moneys and Credits tax rate. However, no deductions for debts shall be allowed as an offset against the assessment of corporation stock as Moneys and Credits.

Where should Moneys and Credits be assessed?

Moneys and Credits are assessable at the place of residence of the owner or his agent. A resident of an Iowa tax district may have \$10,000 invested in a real estate mortgage in California but that mortgage is to be assessed in Iowa at the place of residence of the owner.

In assessing Corporation Stock as Moneys and Credits, may debts be deducted as an offset to the assessment?

They may not. Corporation stock must be assessed at full market value no matter what the indebtedness of the party assessed.

Who should make the return for assessment of Moneys and Credits owned by an estate?

The executor or administrator of any estate should return to the assessor for assessment all Moneys and Credits, as well as personal property, to be assessed to the estate. The executor is personally liable for this return and if he fails to make it the property may be assessed to him.

How should guardianship Moneys and Credits be assessed?

The guardian of any minor or incompetent person must report to the assessor all Moneys and Credits subject to taxation held in the guardianship. The guardian is personally liable for this return, and if he fails to make it the property may be assessed to him.

Are tax certificates assessable as Moneys and Credits?

Yes. Tax certificates are assessable to the person owning them the same as any other evidence of money due him. The county treasurer can supply any assessor with information concerning the ownership of tax certificates. Assessment of this type of property will bring in additional moneys and credits for assessment and aid in the relief of real estate taxes.

Are bonds issued by a church society assessable?

Yes. All bonds except bonds of the United States, the state of Iowa or any municipality, school district, drainage or levee district or county within the state of Iowa, shall be assessed as Moneys and Credits.

CHAPTER XIV

TABLES OF WEIGHTS AND MEASURES

Some of the most commonly used tables of weights and measures, together with other information which may be of use to the assessor, follow:

Linear Measure

12 inches.....	1 foot
3 feet.....	1 yard—36 inches
5½ yards.....	1 rod, pole or perch—16½ feet—198 inches
40 rods.....	1 furlong—220 yards—660 feet—7,920 inches
8 furlongs.....	1 mile—320 rods—1,760 yards—5,280 feet— 63,360 inches

Surveyor's Linear Measure

7.92 inches.....	1 link
25 links.....	1 rod
4 rods, 100 links, 66 feet.....	1 chain
10 chains.....	1 furlong
8 furlongs or 80 chains.....	1 mile

Square Measure

144 square inches.....	1 square foot
9 square feet.....	1 square yard—1,296 square inches
30¼ square yards.....	1 square rod, pole or perch—272¼ square ft.
40 square poles.....	1 rod—1,210 square yards—10,890 square feet
4 rods.....	1 acre—160 square rods—4,840 square yards —43,560 square feet
640 acres.....	1 square mile

Surveyor's Square Measure

625 square links.....	1 square rod
16 square rods.....	1 square chain
10 square chains.....	1 acre
640 acres.....	1 square mile

Cubic Measure

1,728 cubic inches.....	1 cubic foot
27 cubic feet.....	1 cubic yard
16 cubic feet.....	1 cord foot
8 cord feet.....	1 cord of wood
128 cubic feet.....	1 cord of wood
23¾ cubic feet.....	1 perch of stone or masonry

Angles and Arcs

60 seconds.....	1 minute
60 minutes.....	1 degree
90 degrees.....	1 right angle
90 degrees.....	1 quadrant
360 degrees.....	1 circumference

Measurements in General Use

- 1 Link is 7.92 inches.
- 1 Foot is 12 inches.
- 1 Yard is 3 feet or 36 inches.
- 1 Rod is $16\frac{1}{2}$ feet, $5\frac{1}{2}$ yards or 25 links.
- 1 Chain is 66 feet, or 4 rods, or 100 links.
- 1 Furlong is 660 feet, or 40 rods.
- 1 Mile is 8 furlongs, 320 rods, 80 chains or 5,280 feet.
- 1 Square Rod is $272\frac{1}{2}$ square feet or $30\frac{1}{4}$ square yards.
- 1 Acre contains 43,560 square feet.
- 1 Acre contains 160 square rods.
- 1 Acre is about 8 rods by 20 rods, or any two numbers (of rods) whose product is 160.
- A Span is 9 inches.
- A Hand—horse measurement—is 4 inches.
- A Knot—nautical—is 6,086 feet.
- A Fathom—nautical—is 6 feet.
- A Stone is 14 pounds.
- A Square Acre is 208.7 feet on each side.

Hay Measure

About 500 cubic feet of well settled hay is considered a ton. Hay at the bottom of a large mow, other than clover hay, would probably weigh a ton for about 450 cubic feet. It may take 600 to 700 cubic feet of dry, unsettled hay to make a ton.

Grain Measure

To find the capacity in bushels of a bin or wagon bed, multiply the cubic feet by $\frac{8}{10}$. For greater accuracy, add $\frac{1}{3}$ of a bushel for every 100 cubic feet.

To find the cubic feet multiply the length, width, and depth in feet together.

To Find Capacity of Cylindrical Tanks Standing on End

To find the capacity in cubic feet of a round cistern or tank: Multiply the square of the average diameter by the depth, and multiply the product by .785.

To Convert Cubic Measure Into Gallons and Bushels

To convert cubic inches into gallons multiply by 231. To convert cubic feet to gallons, multiply by 7.48.

To convert cubic inches in level bushels, divide by 2,150.42. To convert cubic feet into bushels multiply by .8. For greater accuracy, add $\frac{1}{3}$ of a bushel for every cubic foot.

To Find Contents of Corn in Crib

To find the contents in bushels of a corn crib, multiply the cubic feet by 4 and divide the product by 9. This allows $2\frac{1}{4}$ cubic feet for a bushel. It is the rule most generally used and will hold out in ordinary good corn, even if measured at the time it is cribbed.

Example: Find the contents of a corn crib 18 feet long, 7 feet wide and 8 feet high. Answer: $7 \times 8 \times 18 = 1,008$ cubic feet $\times 4 = 4,032 \div 9 = 448$ bushels.

Subdivision Possibilities of an Acre of Land Into Lots

Size of Lot in Feet	Width of Street in Feet	Width of Alley in Feet	Length of Block in Feet	Number of Lots per Acre	Per Cent of Area Salable
25 x 100.....	40	12	350	12.37	71
25 x 100.....	60	20	300	10.64	61
25 x 125.....	66	16	594	9.44	68
30 x 110.....	45	12	360	9.3	70
33 x 132.....	50	12	330	7.0	70
37½ x 125.....	50	12	375	6.57	70
40 x 140.....	50	12	320	5.5	70
40 x 140.....	60	12	320	5.12	66
50 x 150.....	50	12	400	4.18	72
50 x 150.....	60	12	400	4.07	70
55 x 165.....	55	12	385	3.49	72
66 x 198.....	50	No	462	2.67	80

Legal Weight of Various Commodities Per Bushel
(Minimum Weights by Iowa Statute)

	Pounds per Bushel
Alfalfa seed	60
Apples	48
Barley	48
Beans, dried	60
Blue grass seed.....	14
Bran	20
Buckwheat	48
Clover seed	60
Coal	80
Corn on the cob (field).....	70
Corn (shelled)	56
Corn in the ear (unhusked field).....	75
Flaxseed	56
Millet seed	50
Oats	32
Onions	52
Onion sets	32
Peaches	48
Peaches (dried)	33
Pears	45
Peas (dried)	60
Popcorn (on cob).....	70
Popcorn (shelled)	56
Potatoes, Irish	60
Potatoes, sweet	50
Rye	56
Shorts	20
Timothy seed	45
Tomatoes	50
Wheat	60

Handy Table for Checking Structural Costs Dwellings

Items of Cost	Ordinary Frame % of Total	High Grade Frame % of Total
Excavation	2.3%	1.52%
Foundations and masonry.....	13.8	23.40
Carpentry, mill work and roofing.....	51.4	38.52
Plaster	6.6	9.16
Painting and decorating.....	6.0	4.07
Plumbing	10.4	5.85
Electrical	1.8	2.64
Heating (hot air)	2.9	4.58
Sheet metal	1.3	2.64
Tile work	1.52
Miscellaneous	3.5	6.1
	100.0%	100.0%

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