**IOWA CATTLEMEN'S ASSOCIATION**
2055 Ironwood Court | Ames, IA 50014 | 515-296-2266

# Property Tax

**ICA Fact Sheet** | July 2026

**Property Tax Overview**

In May 2026, Governor Reynolds signed Senate File 2472 into law, codifying a sweeping list of changes to tax levy structures. While some of these changes may affect your operation marginally, we note that they will mostly decrease your individual tax burden.

Going back further, in 2013 the Administrative Rules committee passed a new ruling that requires county assessors to adjust non-cropland in distributing agricultural productivity valuation to each parcel. The adjustment is applicable to non-cropland with a CSR2 greater than 50% of the average cropland CSR2 for the county.

Prior to the ruling, county assessors were not required to shift the agriculture productivity value, however some assessors did. The ruling addresses the lack of uniformity in the distribution of agricultural productivity value at a parcel level across the state of Iowa. Landowners from counties that previously adjusted can expect little to no change in property valuations, while others where no adjustments were in place will likely see a greater change in valuations.

The new adjustment will not be performed on non-cropland acres maintained in conservation vegetation in cooperation with a federal, state, or local conservation.

**Assessing Property Taxes**

The Code of Iowa requires that farmland taxes be based on net earning capacity and land productivity.

1. An **Average Productivity Value** is calculated. On this basis each county in the state is assigned a productivity value.

    Landlord Net Income Per Acre / Capitalization Rate = **Avg Productivity Value Per Acre**.

2. The productivity value is used to calculate the **Total Assessed Value** of taxable farmland in the county.
3. The **Total CSR2** index points are determined by summing CSR2 points for each ownership tract of farmland.
4. **Total Assessed Value** of taxable land is divided by the **Total CSR2** points. This determines the **Average Dollar Value per CSR2 Point.**
5. Finally, the **Average CSR2** per ownership tract is multiplied by the **Value of each CSR2 point** to determine the taxes assessed per tract.

The above procedure eliminates impact from management skills and links property tax assessment heavily to CSR2. With some Iowa pasture on higher quality ground, cattle producers may be challenged by high property taxes if their assessor does not adjust those acres.

**IOWA CATTLEMEN'S ASSOCIATION**
2055 Ironwood Court | Ames, IA 50014 | 515-296-2266

**The New Ruling**

Below is an example concurring with the new ruling. County averages for cropland CSR2, cropland rent, and non-cropland rent are utilized to adjust non-cropland acres.   The pasture in this example has a CSR2 of 58 and is in a county with an average cropland CSR2 of 80. After the adjustment the pasture is assessed with a CSR2 of 45.4

*Differences among CSR2*

Avg County Cropland CSR2: **80 CSR2**　　　50% of Avg Cropland CSR2: **40 CSR2**

Non-cropland soil CSR2: **58 CSR2**

Non-cropland CSR2 points to be adjusted:　　　58 − 40 = **18 CSR2 points**

*Differences among Rental Rates*

5—Yr Avg Cropland Rent: **$163.60**　　　5-Yr Avg Pasture Rent: **$48.30**

Percent Difference (rounded):  1 − ($48.30/$163.60) = **70%**

Apply percent difference to points to be adjusted: 18 CSR2 points

3 (1 − .70) = **5.40 adjusted CSR2 points**

Final adjusted CSR2 non-cropland

40 + 5.40 = **45.40 adjusted CSR2 points**

**Applying for the Adjustment**

This formulation is now standard practice as it has been fully implemented since 2017–you should not have to apply for adjustment, it should be done automatically by your assessor.

**Additional Resources:**

If producers have questions related to the mandatory adjustment during property tax assessment, they can contact the ICA office at 515.296.2266.

*Prepared by the ICA. Adapted from IA Administrative rule Change 0770C intended to implement Iowa Code section 272C.1. Revised 7/20/2026*