

**450.37 Value for computing the tax.**

1. Unless the value has been determined under [chapter 450B](#), the tax shall be computed based upon one of the following:

a. The fair market value of the property in the ordinary course of trade determined under [subsection 2](#).

b. The alternate value of the property, if the personal representative so elects, that has been established for federal estate tax purposes under section 2032 of the Internal Revenue Code. The election shall be exercised on the return by the personal representative or other person signing the return, within the time prescribed by law for filing the return or before the expiration of any extension of time granted for filing the return.

2. Fair market value of real estate in the ordinary course of trade shall be established by agreement, including an agreement to accept the values as finally determined for federal estate tax purposes. The agreement shall be between the department of revenue, the personal representative, and the persons who have an interest in the property.

a. If an agreement has not been reached on the fair market value of real property in the ordinary course of trade, the director of revenue has sixty days after the return is filed to request an appraisal under [section 450.27](#). If an appraisal request is not made within the sixty-day period, the value listed on the return is the agreed value of the real property.

b. If an agreement is not reached on the fair market value of personal property in the ordinary course of trade, the personal representative or any person interested in the personal property may appeal to the director of revenue for a revision of the department's determination of the value and after the appeal hearing may seek judicial review of the director's decision. The provisions of [section 450.94, subsection 3](#), relating to appeal of a determination of the department and review of the director's decision apply to an appeal and review made under [this subsection](#).

3. In addition to the applicable period of limitation for examination and determination, the department shall make an examination to adjust the value of real property for Iowa inheritance tax purposes to the value accepted by the internal revenue service for federal estate tax purposes. The department shall make an examination and adjustment for the value of the real property at any time within six months from the date of receipt by the department of written notice from the personal representative for the estate that all federal estate tax matters between the estate and the internal revenue service have been concluded. To begin the running of the six-month period, the notice shall be in writing in a form sufficient to inform the department of the final disposition of the federal estate tax obligation with the internal revenue service and a copy of the federal document showing the final disposition and final federal adjustments of all real property values must be attached. The department shall make an adjustment to the value of real property for inheritance tax purposes to the value accepted for federal estate tax purposes regardless of whether an inheritance clearance has been issued, an appraisal has been obtained on the real property indicating a contrary value, whether there has been an acceptance of another value for real property by the department, or whether an agreement has been entered into by the department and the personal representative for the estate and persons having an interest in the real property regarding the value of the real property. Notwithstanding the period of limitation specified in [section 450.94, subsection 3](#), the personal representative for the estate shall have six months from the day of final disposition of any real property valuation matter between the personal representative for the estate and the internal revenue service to claim a refund of an overpayment of tax due to the change in the valuation of real property by the internal revenue service.

[S13, §1481-a8; C24, 27, 31, 35, 39, §7342; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §450.37; 81 Acts, ch 147, §6]

83 Acts, ch 177, §15, 38; 84 Acts, ch 1305, §37; 88 Acts, ch 1028, §37; 89 Acts, ch 6, §6; 99 Acts, ch 151, §47, 89; 99 Acts, ch 152, §34, 40; 2003 Acts, ch 145, §286; 2004 Acts, ch 1073, §31

Referred to in §450.27, §450.44, §450.45, §450.47, §450B.2