

## CHAPTER 82

## TAXATION. NET INCOME AND RETAIL SALES

## H. F. 1

AN ACT to equalize taxation and replace in part the tax on property; to provide the public revenue to be used for such replacement by imposing a personal net income tax, a business tax on corporations, and a tax on the gross receipts from retail sales as defined herein; to provide for the collection of such taxes, the distribution and use of the revenue derived therefrom, and the administration of said law; to provide for certain deductions and exemptions; to make an appropriation for the administration of this act; to fix fines and penalties for the violation of the provisions of this act; to repeal the provisions of chapter two hundred forty-seven (247), acts of the Forty-fifth General Assembly, insofar as in conflict with the provisions of this act; and to repeal all laws or parts of laws in conflict therewith.

*Be it enacted by the General Assembly of the State of Iowa:*

## Division I. Introductory Provisions

- 1 SECTION 1. Classification of chapter. The provisions of this act  
2 are herein classified and designated as follows:  
3 Division I. Introductory provisions.  
4 Division II. Personal net income tax.  
5 Division III. Business tax on corporations.  
6 Division IV. Retail sales tax.  
7 Division V. Administration.  
8 Division VI. Allocation of revenue.  
9 Division VII. General provisions.

1 SEC. 2. Purpose or object. This act shall be known as the "prop-  
2 erty relief act", and shall have for its purpose the direct replace-  
3 ment of taxes already levied or to be levied on property to the ex-  
4 tent of the net revenue obtained from the taxes imposed herein,  
5 which shall be apportioned back to the credit of individual tax-  
6 payers on the basis of the assessed valuation of taxable property  
7 as provided in division VI of this act.

1 SEC. 3. Definitions controlling chapter. For the purpose of this  
2 act and unless otherwise required by the context:

3 1. The word "board" means the state board of assessment and  
4 review.

5 2. The word "taxpayer" includes any person, corporation, or  
6 fiduciary who is subject to a tax imposed by this act.

## Division II. Personal net income tax

1 SEC. 4. Definitions controlling division. For the purpose of this  
2 division and unless otherwise required by the context:

3 1. The words "taxable income" means all net income as com-  
4 puted in this division.

5 2. The word "person" includes individuals and fiduciaries.

6 3. The words "income year" means the calendar year or the  
7 fiscal year upon the basis of which the net income is computed  
8 under this division.

9 4. The words "tax year" mean the calendar year, or the fiscal  
10 year ending during such calendar year, upon the basis of which the  
11 net income is computed under this division.

12 5. The words "fiscal year" mean an accounting period of twelve  
13 months, ending on the last day of any month other than December.

14 6. The word "fiduciary" means a guardian, trustee, executor,  
15 administrator, receiver, conservator, or any person, whether indi-  
16 vidual or corporate, acting in any fiduciary capacity for any person,  
17 trust, or estate.

18 7. The word "paid", for the purposes of the deductions under  
19 this division, means "paid or accrued" or "paid or incurred", and  
20 the terms "paid or incurred" and "paid or accrued" shall be construed  
21 according to the method of accounting upon the basis of which the  
22 net income is computed under this division. The term "received",  
23 for the purpose of the computation of net income under this division,  
24 means "received or accrued", and the term "received or accrued"  
25 shall be construed according to the method of accounting upon the  
26 basis of which the net income is computed under this division.

27 8. The word "resident" applies only to individuals and includes,  
28 for the purpose of determining liability to the tax imposed by this  
29 division upon or with reference to the income of any tax year, any  
30 individual domiciled in the state of Iowa, and any other individual  
31 who maintains a permanent place of abode within the state, or  
32 spends in the aggregate more than six months of the tax year within  
33 the state.

34 9. The words "foreign country" mean any jurisdiction other than  
35 one embraced within the United States. The words "United States",  
36 when used in a geographical sense, include the states, the territories  
37 of Alaska and Hawaii, the District of Columbia, and the possessions  
38 of the United States.

39 10. The word "individual" means a natural person.

40 11. The word "dividend" means any distribution made by a cor-  
41 poration out of its earnings or profits to its shareholders or mem-  
42 bers, whether in cash or in other property of the corporation.

43 12. The term "head of a family" means an individual who, dur-  
44 ing the taxable year, maintained a household and supported therein  
45 himself and one or more persons who were dependent upon him for  
46 support; provided, however, that such dependents must be of blood  
47 relation, marriage or adoption.

1 SEC. 5. **Tax imposed.** A tax is hereby imposed, beginning the  
2 first day of January, 1934, upon every resident of the state, which  
3 tax shall be levied, collected and paid annually upon and with respect  
4 to his entire taxable income as herein defined at rates as follows:

5 a. On the first one thousand dollars of taxable income, or any  
6 part thereof, one (1) per cent.

7 b. On the second thousand dollars of taxable income, or any part  
8 thereof, two (2) per cent.

9 c. On the third thousand dollars of taxable income, or any part  
10 thereof, three (3) per cent.

11 d. On the fourth thousand dollars of taxable income, or any  
12 part thereof, four (4) per cent.

13 e. On the fifth thousand dollars of taxable income, or any part  
14 thereof, five (5) per cent, and on all taxable income in excess of five  
15 thousand dollars, five (5) per cent.

16 The tax herein levied shall be computed and collected as herein-  
17 after provided.

1 SEC. 6. **Income from estates or trusts.** 1. The tax imposed by  
2 this division shall apply to and become a charge against estates or  
3 trusts, which tax shall be levied, collected and paid annually upon  
4 and with respect to the income of estates or any kind of property  
5 held in trust, including:

6 a. Income received by estates of deceased persons during the  
7 period of administration or settlement of the estate.

8 b. Income accumulated in trust for the benefit of unborn or un-  
9 ascertained persons, or persons with contingent interest.

10 c. Income held for future distribution under the terms of the  
11 will or trust.

12 d. Income which is to be distributed to the beneficiaries period-  
13 ically, whether or not at regular intervals, and the income collected  
14 by a fiduciary to be held or distributed, as the court may direct.

15 e. Income of an estate during the period of administration or  
16 settlement upon which the tax is to be paid as provided in subsection  
17 4 of this section.

18 f. The net income received during the year by deceased individ-  
19 uals who have died on or after the date a return was due to be filed  
20 without having made a return.

21 2. The fiduciary shall be responsible for making the return of  
22 income for the estate or trust for which he acts, whether such income  
23 be taxable to the estate or trust or to the beneficiaries thereon. The  
24 net income of an estate or trust shall be computed in the same man-  
25 ner and on the same basis as provided in this division for individual  
26 taxpayers, except that there shall also be allowed as a deduction  
27 any part of the gross income which, pursuant to the terms of the  
28 will or deed creating the trust, is, during the taxable year, paid to  
29 or permanently set aside for the United States, any state, territory,  
30 or any political subdivision thereof, or the District of Columbia, or  
31 any corporation or association organized and operated exclusively  
32 for religious, charitable, scientific or educational purposes, or for  
33 the prevention of cruelty to children or animals, no part of the net  
34 earnings of which inures to the benefit of any private stockholder  
35 or individual; and, in cases under paragraphs (d) and (e) of sub-  
36 division one (1) of this section, the fiduciary shall include in the  
37 return a statement of each beneficiary's distributive share of such  
38 net income whether or not distributed before the close of the tax  
39 year for which the return is made.

40 3. In cases under paragraphs (a), (b), and (c) of subdivision  
41 one (1) of this section the tax shall be imposed upon the estate or  
42 trust with respect to the net income of the estate or trust and shall  
43 be paid by the fiduciary, except that in determining the net income  
44 of the estate of any deceased person during the period of administra-  
45 tion or settlement there may be deducted the amount of any income  
46 properly paid or credited to any legatee, heir or other beneficiary.  
47 In cases under (a), (b), and (c) the estate or trust shall be allowed  
48 the same exemptions as are allowed to single persons under this

49 division, and in cases under paragraph (f) the same exemption as  
50 would be allowed the deceased, if living.

51 4. In cases under paragraphs (d) and (e) of subdivision one (1)  
52 of this section, if the distribution of income is in the discretion of  
53 the fiduciary, either as to the beneficiaries to whom payable or as  
54 to the amounts to which any beneficiary is entitled, the tax shall be  
55 imposed upon the estate or trust in the manner provided in sub-  
56 division three (3) of this section, but without the deduction of any  
57 amounts of income paid or credited to any such beneficiary. In all  
58 other cases under paragraphs (d) and (e) of subdivision one (1) of  
59 this section, the tax shall not be paid by the fiduciary, but there  
60 shall be included in computing the net income of each beneficiary  
61 his distributive share whether distributed or not, of the net income  
62 of the estate or trust for the taxable year, or if his net income for  
63 such taxable year is computed upon the basis of a period different  
64 from that upon the basis of which the net income of the estate or  
65 trust is computed, then his distributive share of the net income of  
66 the estate or trust for any accounting period of such estate or trust  
67 ending within the fiscal or calendar year upon the basis of which  
68 such beneficiary's net income is computed.

1 SEC. 7. "Net income" defined. The term "net income" means the  
2 gross income of the taxpayer less the deductions allowed by this  
3 division.

1 SEC. 8. "Gross income" defined—exceptions. 1. The term "gross  
2 income" includes gains, profits and incomes derived from salaries,  
3 wages, or compensation for personal service, of whatever kind and  
4 in whatever form paid, or from professions, vocations, trades, busi-  
5 ness, commerce, or re-occurring profits and income growing out of  
6 the ownership or use of or interest in property, real or personal;  
7 also from interest, rent, dividends, securities, or the transaction of  
8 any business carried on for gain or profit; or gains or profits, and  
9 income derived from any source whatever and in whatever form  
10 paid. The amount of all such items shall be included in the gross  
11 income of the tax year in which received by the taxpayer, unless,  
12 under the methods of accounting permitted under this division, any  
13 such amounts are to be properly accounted for as of a different  
14 period.

15 2. The term "gross income" does not include the following items,  
16 which shall be exempted from taxation under this division:

17 a. Capital gains and profits arising from the sale or exchange  
18 of real or personal property of the taxpayer.

19 b. 1. Amounts received under a life insurance contract paid  
20 by reason of the death of the insured, whether in a single sum or  
21 in installments (but if such amounts are held by the insurer under  
22 an agreement to pay interest thereon, the interest payments shall  
23 be included in gross income).

24 2. Amounts received (other than amounts paid by reason of the  
25 death of the insured and interest payments on such amounts) under  
26 a life insurance, endowment, or annuity contract, but if such amounts  
27 (when added to amounts received before the taxable year under such  
28 contract) exceed the aggregate premium or consideration paid

29 (whether or not paid during the taxable year) then the excess shall  
 30 be included in gross income. In the case of a transfer for a valuable  
 31 consideration, by assignment or otherwise, of a life insurance, en-  
 32 dowment, or annuity contract or any interest therein, only the actual  
 33 value of such consideration shall be exempt from taxation under  
 34 paragraph 1 or this paragraph.

35 c. The value of property acquired by good faith, gift, bequest,  
 36 devise, or descent (but the income from such property shall be  
 37 included in gross income).

38 d. Interest upon the obligations of the United States or its pos-  
 39 sessions, agencies, or instrumentalities, which is or shall be exempt  
 40 from state taxation by federal law.

41 e. Salaries, wages, pensions and other compensation received  
 42 from the United States by officials, employees or veterans thereof  
 43 which are or shall be exempt from state taxation by federal law.

44 f. Any amounts received through accident or health insurance  
 45 or under workmen's compensation acts as compensation for per-  
 46 sonal injuries or sickness, plus the amount of damages received,  
 47 whether by suit or agreement, on account of such injuries or sick-  
 48 ness.

49 g. Stock dividends of a corporation distributed to its own stock-  
 50 holders.

51 3. Every individual, taxable under this division, who is a ben-  
 52 efiary of an estate or trust, shall include in his gross income the  
 53 distributive share of the net income of the estate or trust, received  
 54 by him or distributable to him during the income year. Unless  
 55 otherwise provided in the law, the will, the deed or other instrument  
 56 creating the estate, trust or fiduciary relation, the net income shall  
 57 be deemed to be distributed or distributable to the beneficiaries  
 58 (including the fiduciary as a beneficiary, in the case of income  
 59 accumulated for future distribution) ratably, in proportion to their  
 60 respective interests.

1 SEC. 9. Allowable deductions on gross income. In computing net  
 2 income there shall be allowed as deductions:

3 1. All the ordinary and necessary expenses, paid or incurred, in  
 4 case of report on an accrual basis, during the tax year in carrying  
 5 on any trade or business, including a reasonable allowance for sal-  
 6 aries or other compensation for personal service actually rendered,  
 7 traveling expenses while away from home in pursuit of trade or  
 8 business, and including rentals or other payments required to be  
 9 made as a condition to the continued use or possession, for the pur-  
 10 pose of the trade or business, of property to which the taxpayer has  
 11 not taken or is not taking title or in which he has no equity.

12 2. All interest paid or accrued during the tax year on indebted-  
 13 ness, except on indebtedness incurred or continued to purchase or  
 14 carry obligations or securities, the interest on which is exempt from  
 15 taxation under this division.

16 3. Taxes paid or accrued within the income year, imposed by  
 17 the authority of the United States or of any of its possessions or  
 18 of any state, territory or the District of Columbia or of any foreign  
 19 country; except inheritance taxes, federal estate taxes or estate

20 taxes of this or any other state, and except income taxes imposed  
21 by this division and taxes assessed for local benefit, of a kind tend-  
22 ing to increase the value of the property assessed.

23 4. Credits ascertained to be worthless and charged off within  
24 the tax year if the amount has previously been included in gross  
25 income in a return under this division.

26 5. A reasonable allowance for the damage, destruction, depreci-  
27 ation, exhaustion, wear and tear and obsolescence of property used  
28 in the trade or business, and in the case of mines or other natural  
29 deposits and timber a reasonable allowance for depletion; provided,  
30 that in computing the allowances granted under this paragraph the  
31 basis shall be the cost of such property (including, in the case of  
32 mines and other natural deposits, the cost of development not other-  
33 wise deducted), except where the property was acquired prior to  
34 January 1, 1934, the basis shall be the cost less reasonable depreci-  
35 ation accrued thereon up to January 1, 1934, but in no event less  
36 than its fair market value on said date. The reasonable allowance  
37 under this paragraph shall be made under rules and regulations to  
38 be prescribed by the board. In the case of leases the allowances  
39 granted may be equitably apportioned between the lessor and the  
40 lessee.

41 6. Donations made within the taxable year to or for the use of:  
42 a. The United States, any state, territory or political subdivision  
43 thereof, or the District of Columbia, for exclusively public purposes.

44 b. Any corporation or trust, or community chest, fund, or found-  
45 ation, organized and operated exclusively for religious, charitable,  
46 scientific, literary, or educational purposes, or for the prevention  
47 of cruelty to children or animals.

48 c. Gifts and donations made and accepted under section thirty-  
49 eight hundred fifty-five (3855), Code, 1931.

50 d. Posts or organizations of war veterans, or auxiliary units or  
51 societies of any such posts or organizations.

52 e. Fraternal societies operating under the lodge system, if such  
53 contributions are to be used exclusively for religious, charitable or  
54 educational purposes.

55 The foregoing deductions in this subsection are limited to an  
56 amount which, in all of the above cases combined, does not exceed  
57 fifteen (15) per cent of the taxpayer's net income, computed with-  
58 out the benefit of such deductions.

59 7. For the purpose of simplifying returns, in all cases where the  
60 taxpayer's gross income does not exceed, in the case of a single indi-  
61 vidual, one thousand dollars, and in the case of husband and wife  
62 or head of a family, one thousand six hundred dollars, the taxpayer  
63 may claim a deduction of ten (10) per cent of the gross income, in  
64 lieu of all other deductions which might be claimed under this  
65 division.

1 **SEC. 10. Unallowable deductions on gross income.** In computing  
2 the income no deductions shall in any case be allowed in respect to  
3 the following:

4 1. Personal, living or family expenses.

5 2. Any amount paid out for new buildings or for permanent im-

6 improvements or betterments, made to increase the value of any prop-  
7 erty or estate.

8 3. Any amount expended in restoring property for which an  
9 allowance for depreciation or depletion is or has been made.

10 4. Premiums paid on any life insurance policy covering the life  
11 of any officer or employee or of any individual financially interested  
12 in any trade or business carried on by the taxpayer, when the tax-  
13 payer is directly or indirectly a beneficiary under such policy.

14 5. Capital losses resulting from the sale or exchange of real or  
15 personal property of the taxpayer, or in connection with stocks,  
16 bonds, or other securities determined to be worthless and charged  
17 off during the taxable year.

1 **SEC. 11. Credit on tax.** A credit shall be allowed against the  
2 amount of tax computed to be due and payable under this division,  
3 to the extent of the tax which has been assessed against and paid  
4 by a corporation under division III of this act on income which is  
5 represented by dividends on stock in said corporation, received by  
6 the taxpayer and included in his gross income within the tax year;  
7 provided, that when only part of the income of any corporation shall  
8 have been assessed and income tax paid under said division, only  
9 a corresponding amount of tax shall be deducted; and provided,  
10 further, that such corporation has reported the name and address  
11 of each person owning stock and the amount of dividends paid each  
12 such person during the year.

1 **SEC. 12. Deduction from computed tax.** 1. There shall be de-  
2 ducted from the tax after the same shall have been computed as set  
3 forth in this division a personal exemption as follows:

4 a. For a single individual, six dollars.

5 b. For husband and wife or head of a family, twelve dollars.

6 c. For each child under the age of twenty-one years who is actu-  
7 ally supported by and dependent upon the taxpayer for his support,  
8 an additional two dollars.

9 d. For each actual dependent other than as specified in division  
10 (c) of this section, an additional two dollars.

11 2. The personal exemptions provided by this section shall be  
12 determined according to regulations to be prescribed by the board.

1 **SEC. 13. Return by individual.** 1. Every individual having a  
2 net income for the tax year from sources taxable under this division,  
3 of six hundred dollars or over, if single, or if married and not living  
4 with husband or wife; or having a net income for the tax year of  
5 eleven hundred dollars or over if married and living with husband  
6 or wife, shall make a return under oath, stating specifically the  
7 items of gross income and the deductions and exemptions allowed by  
8 this division.

9 2. If husband and wife living together have an aggregate net  
10 income of eleven hundred dollars or over, each shall make such a  
11 return, unless the income of each is included in a single joint return.

12 3. If the taxpayer is unable to make his own return, the return  
13 shall be made by a duly authorized agent or by a guardian or other

14 person charged with the care of the person or property of such tax-  
15 payer.

16 4. Provided, also, that every individual having a gross income  
17 of three thousand dollars a year or over, shall file a return.

1 SEC. 14. **Return by fiduciary.** 1. Every fiduciary subject to  
2 taxation under the provisions of this division, as provided in sec-  
3 tion six (6) hereof, shall make a return under oath for the indi-  
4 vidual, estate or trust for whom or for which he acts, if the net  
5 amount thereof amounts to six hundred dollars or more or the gross  
6 amount thereof amounts to two thousand dollars or more.

7 2. The return made by a fiduciary shall state specifically the  
8 items of gross income and the deductions and exemptions allowed  
9 by this division and such other facts as the board may prescribe.  
10 Under such regulations as the board may prescribe, a return may  
11 be made by one of two or more joint fiduciaries.

12 3. Fiduciaries required to make returns under this division shall  
13 be subject to all the provisions of this division which apply to indi-  
14 viduals.

1 SEC. 15. **Information at source.** 1. Every person or corporation  
2 being a resident of or having a place of business in this state, in  
3 whatever capacity acting, including lessees or mortgagors of real  
4 or personal property, fiduciaries, employers and all officers and em-  
5 ployees of the state or of any political subdivision of the state,  
6 having the control, receipt, custody, disposal or payment of interest  
7 (other than interest coupons payable to bearer), rent, salaries,  
8 wages, premiums, annuities, compensations, remunerations, emolu-  
9 ments or other fixed or determinable annual or periodical gains, prof-  
10 its and income, amounting to one thousand dollars or over, paid or  
11 payable during any year to any resident of this state, shall make  
12 complete return thereof under oath, to the board, under such regu-  
13 lations and in such form and manner and to such extent as may be  
14 prescribed by it.

15 2. Every partnership, having a place of business in the state,  
16 shall make a return, stating specifically the items of its gross income  
17 and the deductions allowed by this division, and shall include in the  
18 return the names and addresses of the individuals who would be  
19 entitled to share in the net income if distributed, and the amount  
20 of the distributive share of each individual. The return shall be  
21 sworn to by any one of the partners.

22 3. Every fiduciary shall make, under oath, a return for the indi-  
23 vidual, estate, or trust for whom or for which he acts, and shall set  
24 forth in such return the items of the gross income, the deductions  
25 allowed by this division, the net income, the names and addresses of  
26 the beneficiaries, the amounts distributed or distributable to each  
27 and the amount, if any, lawfully retained by him for future dis-  
28 tribution. Such return may be made by one or two or more joint  
29 fiduciaries.

1 SEC. 16. **Base of returns.** 1. Taxpayers, who customarily deter-  
2 mine their income on a basis other than that of actual cash receipts  
3 and disbursements, may, with the approval of the board, return their



4 net income under this division upon a similar basis. Taxpayers who  
5 customarily determine their income on the basis of an established  
6 fiscal year instead of on that of the calendar year, may, with the  
7 approval of the board, and subject to such rules and regulations  
8 as it may establish, return their net income under this division on  
9 the basis of such fiscal year, in lieu of that of the calendar year.

10 2. A taxpayer may, with the approval of the state board, and  
11 under such regulations as it may prescribe, change his income year  
12 from the fiscal year to the calendar year or otherwise, in which case  
13 his net income shall be computed upon the basis of such new tax  
14 year.

15 3. An individual carrying on business in partnership shall be  
16 liable for income tax only in his individual capacity and shall include  
17 in his gross income his share of the net income of the partnership  
18 during the income year.

19 4. Every individual, taxable under this division, who is a ben-  
20 eficiary of an estate or trust, shall include in his gross income the  
21 distributive share of the net income of the estate or trust, received  
22 by him or distributable to him during the income year. Unless  
23 otherwise provided in the law, the will, the deed or other instru-  
24 ment creating the estate, trust or fiduciary relation, the net income  
25 shall be deemed to be distributed or distributable to the beneficiaries  
26 (including the fiduciary as a beneficiary, in the case of income ac-  
27 cumulated for future distribution) ratably, in proportion to their  
28 respective interests.

1 SEC. 17. **Form and time of return.** Returns shall be in such form  
2 as the board may, from time to time, prescribe, and shall be filed  
3 with the board within ninety days after the expiration of the tax  
4 year. In case of sickness, absence or other disability, or when-  
5 ever, in its judgment, good cause exists, the board may allow further  
6 time for filing returns. The return shall be made under oath. The  
7 board shall cause to be prepared blank forms for said returns and  
8 shall cause them to be distributed throughout the state and to be  
9 furnished upon application, but failure to receive or secure the  
10 form shall not relieve the taxpayer from the obligations of making  
11 any return herein required.

1 SEC. 18. **Supplementary returns.** If the board shall be of the  
2 opinion that any taxpayer required under this division to file a re-  
3 turn has failed to file such a return or to include in a return filed,  
4 either intentionally or through error, items of taxable income, it  
5 may require from such taxpayer a return or supplementary return,  
6 under oath, in such form as it shall prescribe, of all the items of in-  
7 come which the taxpayer received during the year for which the  
8 return is made, whether or not taxable under the provisions of this  
9 division. If from a supplementary return, or otherwise, the board  
10 finds that any items of income, taxable under this division, have  
11 been omitted from the original return, it may require the items so  
12 omitted to be added to the original return. Such supplementary  
13 return and the correction of the original return shall not relieve  
14 the taxpayer from any of the penalties to which he may be liable

15 under any provisions of this division, whether or not the board re-  
16 quired a return or a supplementary return under this section.

1     **SEC. 19. Return by administrator.** The return by an individual,  
2 who, while living, was subject to income tax in the state during the  
3 tax year, and who has died before making the return, shall be made  
4 in his name and behalf by the administrator or executor of the  
5 estate and the tax shall be levied upon and collected from his estate.

1     **SEC. 20. Installment payments—interest.** 1. The tax may be  
2 paid in two installments, each consisting of one half of the total  
3 amount of the tax. The first installment shall be remitted with the  
4 return and the second installment shall be paid on or before six  
5 months after the date fixed for filing the return; provided, however,  
6 that in case the total amount of the tax shall be ten dollars or less,  
7 then, and in that case, the whole amount of the tax shall be paid  
8 at the time of filing the return.

9     2. When, at the request of the taxpayer, the time for filing the  
10 return is extended, interest at the rate of six (6) per cent per  
11 annum on one half of the total tax, from the time when the return  
12 was originally required to be filed to the time of payment, shall be  
13 added and paid.

1     **SEC. 21. Computation of tax, interest and penalties.** 1. As soon  
2 as practicable and in any event within two (2) years after the  
3 return is filed the board shall examine it and determine the correct  
4 amount of tax, and the amount so determined by the board shall be  
5 the tax. If the tax found due shall be greater than the amount  
6 theretofore paid, the excess, together with interest and penalty as  
7 hereinafter provided shall be paid by the taxpayer within ten days  
8 after the board shall have given notice thereof to the taxpayer by  
9 registered mail.

10     2. If the board discovers from the examination of the return  
11 or otherwise that the income of the taxpayer, or any portion thereof,  
12 has not been listed in the return, or that no return was filed when  
13 one was due, it may at any time within five years after the time  
14 when such return was due, determine the correct amount of the tax  
15 together with interest and penalty as hereinafter provided. The  
16 amount thereof shall be paid within ten days after the board shall  
17 have given notice thereof to the taxpayer by registered mail.

18     3. To the tax or additional tax as determined by the board  
19 under the provisions of paragraphs one (1) and two (2) of this  
20 section there shall be added and made a part thereof an additional  
21 amount, by way of penalty, equal to five per cent (5%) of such  
22 tax and additional tax, but in no case less than one (1) dollar, and  
23 an additional one (1) per cent interest for each month or fraction  
24 of a month during which the tax and/or additional tax remains  
25 unpaid. The interest provided for herein shall in all cases be com-  
26 puted from the date the return was originally required to be filed.

27     4. If the amount of the tax as determined by the board shall be  
28 less than the amount theretofore paid, the excess shall be refunded  
29 with interest after sixty days from the date of payment at six (6)

30 per cent per annum under the provisions of such regulations as may  
31 be prescribed by the board.

32 5. All payments received must be credited first, to the penalty  
33 and interest accrued, and then to the tax due.

34 6. The board shall have power, upon making a record of its  
35 reasons therefor, to waive or reduce any of the penalties and/or  
36 interest provided for herein.

37 7. Any person who, with fraudulent intent, refuses to pay any  
38 tax or to make, render, sign or verify any return, or to supply any  
39 information within the time required by or under the provisions of  
40 this division, shall be liable to a penalty of not more than one thou-  
41 sand (1,000) dollars to be recovered by the attorney general in the  
42 name of the state by action in the district court. The board shall  
43 have the power to compromise the penalty imposed by this subsec-  
44 tion. Such penalties shall be in addition to all other penalties in this  
45 division provided.

46 8. Any person required to make, render, sign or verify any re-  
47 turn or supplemental return, who makes any false or fraudulent  
48 return, with intent to defeat or evade the assessment required by  
49 law to be made, shall be guilty of a felony and shall upon conviction,  
50 for each such offense, be fined not more than five thousand (5,000)  
51 dollars and be imprisoned not exceeding one year, or be subject to  
52 both fine and imprisonment, in the discretion of the court.

53 9. The certificate of the board to the effect that a tax has not  
54 been paid, that a return has not been filed, or that information has  
55 not been supplied, as required under the provisions of this division  
56 shall be prima facie evidence thereof.

1 SEC. 22. Lien of tax—collection—action authorized. Whenever  
2 any taxpayer liable to pay a tax and/or penalty imposed refuses or  
3 neglects to pay the same, the amount, including any interest, penalty,  
4 or addition to such tax, together with the costs that may accrue in  
5 addition thereto, shall be a lien in favor of the state of Iowa upon  
6 all property and rights to property, whether real or personal, be-  
7 longing to said taxpayer.

8 The lien aforesaid shall attach at the time the tax becomes due  
9 and payable and shall continue until the liability for such amount  
10 is satisfied.

11 In order to preserve the aforesaid lien against subsequent mort-  
12 gagees, purchasers or judgment creditors, for value and without  
13 notice of the lien, on any property situated in a county, the board  
14 shall file with the recorder of the county, in which said property is  
15 located, a notice of said lien.

16 The county recorder of each county shall prepare and keep in his  
17 office a book to be known as "index of income tax liens", so ruled  
18 as to show in appropriate columns the following data, under the  
19 names of taxpayers, arranged alphabetically:

- 20 1. The name of the taxpayer.
- 21 2. The name "state of Iowa" as claimant.
- 22 3. Time notice of lien was received.
- 23 4. Date of notice.
- 24 5. Amount of lien then due.
- 25 6. When satisfied.

26 The recorder shall indorse on each notice of lien the day, hour,  
27 and minute when received and preserve the same, and shall forth-  
28 with index said notice in said index book and shall forthwith record  
29 said lien in the manner provided for recording real estate mortgages,  
30 and the said lien shall be effective from the time of the indexing  
31 thereof.

32 The board shall pay a recording fee as provided in section fifty-  
33 one hundred seventy-seven (5177), Code, 1931, for the recording  
34 of such lien, or for the satisfaction thereof.

35 Upon the payment of a tax as to which the board has filed notice  
36 with a county recorder, the board shall forthwith file with said  
37 recorder a satisfaction of said tax and the recorder shall enter said  
38 satisfaction on the notice on file in his office and indicate said fact  
39 on the index aforesaid.

40 The board shall, substantially as provided in sections seventy-one  
41 hundred eighty-nine (7189) and seventy-one hundred eighty-nine-d  
42 one (7189-d1), Code, 1931, proceed to collect all taxes and/or pen-  
43 alties as soon as practicable after the same become delinquent, ex-  
44 cept that no property of the taxpayer shall be exempt from the  
45 payment of said tax.

46 The attorney general shall, upon the request of the board, bring  
47 an action at law or in equity, as the facts may justify, without bond,  
48 to enforce payment of any taxes and/or penalties, and in such action  
49 he shall have the assistance of the county attorney of the county  
50 in which the action is pending.

51 It is expressly provided that the foregoing remedies of the state  
52 shall be cumulative and that no action taken by the board or attor-  
53 ney general shall be construed to be an election on the part of the  
54 state or any of its officers to pursue any remedy hereunder to the ex-  
55 clusion of any other remedy provided by law.

1 **SEC. 23. Final report of fiduciary—conditions.** 1. No final ac-  
2 count of a fiduciary shall be allowed by any court unless such account  
3 shows, and the judge of said court finds, that all taxes imposed by  
4 the provisions of this division upon said fiduciary, which have be-  
5 come payable, have been paid, and that all taxes which may become  
6 due are secured by bond, deposit or otherwise. The certificate of  
7 the board and the receipt for the amount of the tax therein certified  
8 shall be conclusive as to the payment of the tax to the extent of said  
9 certificate.

10 2. For the purpose of facilitating the settlement and distribution  
11 of estates held by fiduciaries, the board may, on behalf of the state,  
12 agree upon the amount of taxes at any time due or to become due  
13 from such fiduciaries under the provisions of this division, and pay-  
14 ment in accordance with such agreement shall be full satisfaction  
15 of the taxes to which the agreement relates.

1 **SEC. 24. Revision of tax.** A taxpayer may appeal to the board  
2 for revision of the tax, interest and/or penalties assessed against  
3 him at any time within ninety days from the date of the notice of  
4 the assessment of such tax, additional tax, interest and/or penalties,  
5 The board shall grant a hearing thereon and if, upon such hearing,  
6 it shall determine that the tax, interest and/or penalties are ex-  
7 cessive or incorrect, it shall revise the same according to the law

8 and the facts and adjust the computation of the tax, interest and/or  
9 penalties accordingly. The board shall notify the taxpayer by reg-  
10 istered mail of its findings and shall refund to the taxpayer the  
11 amount, if any, paid in excess of the tax, interest and/or penalties  
12 found by it to be due with interest after sixty days from the date  
13 of payment by the taxpayer at six (6) per cent per annum.

1 **SEC. 25. Appeals.** 1. An appeal may be taken by the taxpayer  
2 to the district court of the county in which he resides, or in which  
3 his principal place of business is located, within sixty days after  
4 he shall have received notice from the board of its determination as  
5 provided for in the preceding section.

6 2. The appeal shall be taken by a written notice to the chairman  
7 of the board and served as an original notice. When said notice is  
8 so served it shall, with the return thereon, be filed in the office of the  
9 clerk of said district court, and docketed as other cases, with the  
10 taxpayer as plaintiff and the board as defendant. The plaintiff shall  
11 file with such clerk a bond for the use of the defendant, with sure-  
12 ties approved by such clerk, in penalty at least double the amount  
13 of tax appealed from, and in no case shall the bond be less than  
14 fifty (50) dollars, conditioned that the plaintiff shall perform the  
15 orders of the court.

16 3. The court shall hear the appeal in equity and determine anew  
17 all questions submitted to it on appeal from the determination of  
18 the board. The court shall render its decree thereon and a certified  
19 copy of said decree shall be filed by the clerk of said court with the  
20 board who shall then correct the assessment in accordance with  
21 said decree. An appeal may be taken by the taxpayer or the board  
22 to the supreme court of this state in the same manner that appeals  
23 are taken in suits in equity, irrespective of the amount involved.

1 **SEC. 26. Jeopardy assessments.** 1. If the board believes that  
2 the assessment or collection of taxes will be jeopardized by delay,  
3 the board may immediately make an assessment of the estimated  
4 amount of tax due, together with all interest, additional amounts  
5 or penalties, as provided by law, and demand payment thereof from  
6 the taxpayer. If such payment is not made, a distress warrant may  
7 be issued or a lien filed against such taxpayer immediately.

8 The board shall be permitted to accept a bond from the taxpayer  
9 to satisfy collection until the amount of tax legally due shall be  
10 determined. Such bond to be in an amount deemed necessary, but  
11 not more than double the amount of the tax involved, and with se-  
12 curities satisfactory to the board.

1 **SEC. 26-a. Applicable statutes.** All the provisions of subsection  
2 three (3) of section thirty-one (31) shall be applicable to persons  
3 taxable under this division.

### Division III. Business Tax on Corporations

1 **SEC. 27. Definitions.** For the purpose of this division and unless  
2 otherwise required by the context:

3 1. The word "corporation" includes joint stock companies, lim-  
4 ited partnerships, and associations organized for pecuniary profit.

5 2. The words "domestic corporation" mean any corporation or-  
6 ganized under the laws of this state.

7 3. The words "foreign corporation" mean any corporation other  
8 than a domestic corporation.

9 The words, terms, and phrases defined in paragraphs one (1) and  
10 three(3) to eleven (11), section four (4), division II of this act,  
11 when used in this division, shall have the meanings ascribed to them  
12 in said section except where the context clearly indicates a different  
13 meaning.

1 SEC. 28. **Corporate tax imposed.** A tax is hereby imposed, be-  
2 ginning the first day of January, 1934, upon each corporation or-  
3 ganized under the laws of this state, and upon every foreign cor-  
4 poration doing business in this state, annually in an amount equiva-  
5 lent to two per cent of the net income as herein defined, received  
6 by such corporation during the income year.

7 a. If the trade or business of the corporation is carried on en-  
8 tirely within the state, the tax shall be imposed on the entire net  
9 income, but if such trade or business is carried on partly within  
10 and partly without the state, the tax shall be imposed only on the  
11 portion of the net income reasonably attributable to the trade or  
12 business within the state, said net income attributable to the state  
13 of Iowa to be determined as follows:

14 1. Interest, dividends, rents and royalties (less related expenses)  
15 received in connection with business in the state, shall be allocated  
16 to the state, and where received in connection with business outside  
17 the state, shall be allocated outside of the state.

18 2. Net income of the above class having been separately allo-  
19 cated and deducted as above provided, the remainder of the net in-  
20 come of the taxpayer shall be allocated and apportioned as follows:

21 Where income is derived from business other than the manufac-  
22 ture or sale of tangible personal property, such income shall be  
23 specifically allocated or equitably apportioned within and without  
24 the state under rules and regulations of the board.

25 Where income is derived from the manufacture or sale of tangible  
26 personal property, the part thereof attributable to business within  
27 the state shall be in that proportion which the gross sales made  
28 within the state bear to the total gross sales.

29 The gross sales of the corporation within the state shall be taken  
30 to be the gross sales from goods sold and delivered within the state,  
31 excluding deliveries for transportation out of the state.

32 For the purpose of this section, the word "sale" shall include ex-  
33 change, and the word "manufacture" shall include the extraction  
34 and recovery of natural resources and all processes of fabricating  
35 and curing. The words "tangible personal property" shall be taken  
36 to mean corporeal personal property, such as machinery, tools, im-  
37 plements, goods, wares, and merchandise, and shall not be taken to  
38 mean money deposits in banks, shares of stock, bonds, notes, credits,  
39 or evidence of an interest in property and evidences of debt.

40 b. If any taxpayer believes that the method of allocation and  
41 apportionment hereinbefore prescribed, as administered by the board  
42 and applied to his business, has operated or will so operate as to

43 subject him to taxation on a greater portion of his net income than  
44 is reasonably attributable to business or sources within the state, he  
45 shall be entitled to file with the board a statement of his objections  
46 and of such alternative method of allocation and apportionment as  
47 he believes to be proper under the circumstances with such detail  
48 and proof and within such time as the board may reasonably pre-  
49 scribe; and if the board shall conclude that the method of allocation  
50 and apportionment theretofore employed is in fact inapplicable and  
51 inequitable, it shall redetermine the taxable income by such other  
52 method of allocation and apportionment as seems best calculated  
53 to assign to the state for taxation the portion of the income reason-  
54 ably attributable to business and sources within the state, not ex-  
55 ceeding, however, the amount which would be arrived at by appli-  
56 cation of the statutory rules for apportionment.

1 **SEC. 29. Exempted corporations and organizations.** The follow-  
2 ing organizations and corporations shall be exempt from taxation  
3 under this division:

4 a. All state, national, private, cooperative and savings banks,  
5 credit unions, title insurance and trust companies, building and loan  
6 associations, corporations operating under the provisions of chapter  
7 392 of the Code, 1931, insurance companies and/or insurance asso-  
8 ciations, reciprocal or inter-insurance exchanges, fraternal bene-  
9 ficiary associations, now or hereafter organized or incorporated by  
10 or under the laws of this state or lawfully operating in the state  
11 of Iowa.

12 b. Cemetery corporations, organizations and associations and  
13 corporations organized for religious, charitable, scientific, or edu-  
14 cational purposes, or for the prevention of cruelty to children or  
15 animals, no part of the net earnings of which inures to the benefit  
16 of any private stockholder or individual.

17 c. Business leagues, chambers of commerce, labor unions and  
18 auxiliary organizations, or boards of trade not organized for profit,  
19 and no part of the net earnings of which inures to the benefit of any  
20 private stockholder or individual.

21 d. Civic leagues or organizations not organized for profit, but  
22 operated exclusively for the promotion of social welfare.

23 e. Clubs, organizations or associations organized and operated  
24 exclusively for pleasure, recreation, and other nonprofitable pur-  
25 poses, no part of the net earnings of which inures to the benefit of  
26 any private stockholder or member.

1 **SEC. 30. Applicable statutes.** All the provisions of sections seven  
2 (7), eight (8), nine (9), ten (10), and eleven (11) of division II  
3 of this act, insofar as the same are applicable, shall apply in com-  
4 puting the amount of net income of a corporation taxable under this  
5 division.

1 **SEC. 31. Returns.** 1. Every corporation shall make a return  
2 and the same shall be sworn to by the president, vice president, or  
3 other principal officer and by the treasurer or assistant treasurer.  
4 Before a corporation shall be dissolved and its assets distributed it

5 shall make a return for any settlement of the tax for any income  
6 earned in the income year up to its final date of dissolution.

7 2. When any corporation, liable to taxation under this division,  
8 conducts its business in such a manner as either directly or indi-  
9 rectly to benefit the members or stockholders thereof or any person  
10 interested in such business by selling its products or the goods or  
11 commodities in which it deals at less than the fair price which  
12 might be obtained therefor, or where a corporation, a substantial  
13 portion of whose capital stock is owned either directly or indirectly  
14 by another corporation, acquires and disposes of the products, goods  
15 or commodities of the corporation so owning a substantial portion  
16 of its stock in such a manner as to create a loss or improper net  
17 income for either of said corporations, or where a corporation, own-  
18 ing directly or indirectly a substantial portion of the stock of an-  
19 other corporation, acquires and disposes of the products, goods or  
20 commodities, of the corporation of which it so owns a substantial  
21 portion of the stock, in such a manner as to create a loss or improper  
22 net income for either of said corporations, the board may determine  
23 the amount of taxable income of either or any of such corporations  
24 for the calendar or fiscal year, having due regard to the reasonable  
25 profits which, but for such arrangement or understanding, might  
26 or could have been obtained, by the corporation or corporations  
27 liable to taxation under this division, from dealing in such products,  
28 goods or commodities.

29 3. Where the state board has reason to believe that any person  
30 or corporation so conducts his trade or business as either directly  
31 or indirectly to distort his true net income and the net income prop-  
32 erly attributable to the state, whether by the arbitrary shifting of  
33 income, through price fixing, charges for services, or otherwise,  
34 whereby the net income is arbitrarily assigned to one or another unit  
35 in a group of taxpayers carrying on business under a substantially  
36 common control, it may require such facts as it deems necessary for  
37 the proper computation of the entire net income and the net income  
38 properly attributable to the state, and shall determine the same, and  
39 in the determination thereof the board shall have regard to the fair  
40 profits which would normally arise from the conduct of the trade  
41 or business.

1 **SEC. 32. Consolidated returns.** 1. Any corporation capable of  
2 exercising directly or indirectly substantially the entire control of  
3 the business of another corporation doing business in the United  
4 States either by ownership or control of substantially the entire  
5 capital stock of such other corporation, or otherwise, may, under  
6 regulations to be prescribed by the board, be permitted, and upon  
7 demand of the board shall be required, to make a consolidated re-  
8 turn, showing the consolidated net income of all of such corpora-  
9 tions, and such other information as the board may require.

10 The board shall compute, determine and assess the tax upon the  
11 combined net income shown by such consolidated return and as  
12 apportioned and allocated according to section 28 of this act; pro-  
13 vided that the term "taxable income" as used in this act shall not  
14 include income represented by dividends received by any one of



15 such corporations from another when the income of the dividend  
16 paying corporation is reported to and subject to taxation under this  
17 act by the state of Iowa.

18 2. The board may require the filing of a consolidated return  
19 where substantially the entire control of two or more such corpora-  
20 tions liable to taxation under this division is exercised by the same  
21 interests, or under such other circumstances as the effective ad-  
22 ministration of this act may require. Any corporation liable to re-  
23 port under this division and owned or controlled, either directly  
24 or indirectly, by another corporation, may be required to make a  
25 consolidated report showing the combined net income, such assets  
26 of the corporation as are required for the purpose of this division,  
27 and such other information as the board may require.

28 3. In case it shall appear to the board that any arrangement  
29 exists in such a manner as improperly to reflect the business done,  
30 the segregable assets or the entire net income earned from business  
31 done in the state, the board is authorized and empowered, in such  
32 manner and under such rules and regulations as it may determine,  
33 equitably to adjust the tax.

34 4. When any corporation required to make a return under this  
35 division conducts the business, whether under arrangement or other-  
36 wise, in such manner as either directly or indirectly to benefit the  
37 members or stockholders of the corporation, or any of them, or any  
38 person or persons directly or indirectly interested in such business,  
39 by selling its products, or the goods or commodities in which it  
40 deals, at less than a fair price which might be obtained therefrom,  
41 or where such a corporation, a substantial portion of whose capital  
42 stock is owned either directly or indirectly by another corporation,  
43 acquires or disposes of the products of the corporation so owning  
44 the substantial portion of its capital stock in such manner as to  
45 create a loss or improper net income, the board may require such  
46 facts as it deems necessary for the proper computation provided by  
47 this division, and may for the purpose of the division determine the  
48 amount which shall be deemed to be the entire net income of the  
49 business of such corporation for the calendar or fiscal year, and  
50 in determining such entire net income the board shall have regard  
51 to the fair profits which, but for any agreement, arrangement or  
52 understanding, might be or could have been obtained from dealing  
53 in such products, goods or commodities.

1 **SEC. 33. Applicable statutes.** All the provisions of sections fif-  
2 teen (15), sixteen (16), seventeen (17), and eighteen (18) of di-  
3 vision II of this act, insofar as the same are applicable, shall apply  
4 to corporations taxable under this division.

1 **SEC. 34. Applicable statutes.** All the provisions of sections  
2 twenty (20), twenty-one (21), twenty-two (22), and twenty-three  
3 (23) of division II of this act, respecting payment and collection,  
4 shall apply in respect to the tax due and payable by a corporation  
5 taxable under this division.

1 **SEC. 35. Cancellation of authority—penalty—offenses.** 1. If a  
2 corporation required by the provisions of this division to file any

3 report or return or to pay any tax or fee, either as a corporation  
4 organized under the laws of this state, or as a foreign corporation  
5 doing business in this state for profit, or owning and using a part  
6 or all of its capital or plant in this state, fails or neglects to make  
7 any such report or return or to pay any such tax or fee for ninety  
8 days after the time prescribed in this division for making such re-  
9 port or return, or for paying such tax or fee, the board may in its  
10 discretion certify such fact to the secretary of state. The secretary  
11 of state shall thereupon cancel the articles of incorporation of any  
12 such corporation which is organized under the laws of this state by  
13 appropriate entry upon the margin of the record thereof, or cancel  
14 the certificate of authority of any such foreign corporation to do  
15 business in this state by proper entry. Thereupon all the powers,  
16 privileges, and franchises conferred upon such corporation by such  
17 articles of incorporation or by such certificate of authority shall cease  
18 and determine. The secretary of state shall immediately notify by  
19 registered mail such domestic or foreign corporation of the action  
20 taken by him.

21 2. Any person or persons who shall exercise or attempt to ex-  
22 ercise any powers, privileges, or franchises under articles of in-  
23 corporation or certificate of authority after the same are canceled,  
24 as provided in any section of this division, shall pay a penalty of  
25 not less than one hundred dollars nor more than one thousand dol-  
26 lars, to be recovered by an action to be brought by the board.

27 3. Any corporation whose articles of incorporation or certificate  
28 of authority to do business in this state have been canceled by the  
29 secretary of state, as provided in subsection one (1), or similar  
30 provisions of prior revenue acts, upon the filing, within ten years  
31 after such cancelation, with the secretary of state, of a certificate  
32 from the board that it has complied with all the requirements of this  
33 division and paid all state taxes, fees, or penalties due from it, and  
34 upon the payment to the secretary of state of an additional penalty  
35 of fifty dollars, shall be entitled again to exercise its rights, privi-  
36 leges, and franchises in this state; and the secretary of state shall  
37 cancel the entry made by him under the provisions of subsection one  
38 (1) or similar provisions of prior revenue acts, and shall issue his  
39 certificate entitling such corporation to exercise its rights, privi-  
40 leges, and franchises.

41 4. Any person, or any officer or employee of any corporation,  
42 or member or employee of any partnership, who, with intent to  
43 evade any requirement of this division or any lawful requirement  
44 of the board thereunder, shall fail to pay any tax or to make, sign,  
45 or verify any return or to supply any information required by or  
46 under the provisions of this division, shall be guilty of a misde-  
47 meanor and punished accordingly. Any person, corporation, or any  
48 officer or employee of a corporation, or member or employee of any  
49 partnership, who, with intent to evade any of the requirements of  
50 this division, or any lawful requirements of the board thereunder,  
51 shall make, render, sign, or verify any false or fraudulent return  
52 or statement, or shall supply any false or fraudulent information,  
53 or who shall aid, abet, direct, cause, or who shall procure anyone  
54 so to do, shall be liable to a penalty of not more than five thousand

55 dollars, to be recovered by the attorney general, in the name of the  
56 state, by action in any court of competent jurisdiction, and shall  
57 also upon conviction be punished by imprisonment in the peniten-  
58 tiary for a term not exceeding one year, or by a fine of not less than  
59 five hundred dollars nor more than five thousand dollars, or both.  
60 Such penalty shall be in addition to all other penalties in this di-  
61 vision provided.

1 **SEC. 36. Applicable statutes.** All the provisions of section  
2 twenty-four (24) and section twenty-five (25) of division II of  
3 this act, in respect to revision and appeal, shall be applicable to  
4 corporations taxable under this division.

#### Division IV. Retail Sales Tax

1 **SEC. 37. Definitions.** The following words, terms, and phrases,  
2 when used in this division, have the meanings ascribed to them in  
3 this section, except where the context clearly indicates a different  
4 meaning:

5 a. "Person" includes any individual, firm, copartnership, joint  
6 adventure, association, corporation, municipal corporation, estate,  
7 trust, business trust, receiver, or any other group or combination  
8 acting as a unit, and the plural as well as the singular number.

9 b. "Sale" means any transfer, exchange, or barter, conditional  
10 or otherwise, in any manner or by any means whatsoever, for a  
11 consideration.

12 c. "Retail sale" or "sale at retail" means the sale to a con-  
13 sumer or to any person for any purpose, other than for processing  
14 or for resale, of tangible personal property and the sale of gas, elec-  
15 tricity, water, and communication service to retail consumers or  
16 users.

17 d. "Business" includes any activity engaged in by any person  
18 or caused to be engaged in by him with the object of gain, benefit, or  
19 advantage, either direct or indirect.

20 e. "Retailer" includes every person engaged in the business of  
21 selling tangible goods, wares, or merchandise at retail, or the fur-  
22 nishing of gas, electricity, water and communication service, and  
23 tickets or admissions to places of amusement and athletic events  
24 as provided in this division.

25 f. "Gross receipts" means the total amount of the sales of re-  
26 tailers, valued in money, whether received in money or otherwise,  
27 provided, however, that discounts for any purpose allowed and taken  
28 on sales shall not be included, nor shall the sale price of property  
29 returned by customers when the full sale price thereof is refunded  
30 either in cash or by credit. Provided, further, that on all sales of  
31 retailers, valued in money, when such sales are made under condi-  
32 tional sales contract, or under other forms of sale wherein the pay-  
33 ment of the principal sum thereunder be extended over a period  
34 longer than sixty (60) days from the date of sale thereof that only  
35 such portion of the sale amount thereof shall be accounted, for the  
36 purpose of imposition of tax imposed by this bill, as has actually  
37 been received in cash by the retailer during each quarterly period  
38 as defined herein.

39 g. "Relief agency" means the state, any county, city and county,  
40 city or district thereof, or any agency engaged in actual relief  
41 work.

1 SEC. 38. **Tax imposed.** There is hereby imposed, beginning the  
2 first day of April, 1934, and ending April 1, 1937, a tax of two  
3 (2) per cent upon the gross receipts from all sales of tangible per-  
4 sonal property, consisting of goods, wares, or merchandise, except  
5 as otherwise provided in this division, sold at retail in the state of  
6 Iowa to consumers or users; a like rate of tax upon the gross re-  
7 cepts from the sales, furnishing or service of gas, electricity, water  
8 and communication service, including the gross receipts from such  
9 sales by any municipal corporation furnishing gas, electricity, water  
10 and communication service to the public in its proprietary capacity,  
11 except as otherwise provided in this division, when sold at retail  
12 in the state of Iowa to consumers or users; and a like rate of tax  
13 upon the gross receipts from all sales of tickets or admissions to  
14 places of amusement and athletic events, except as otherwise pro-  
15 vided in this division.

16 The tax herein levied shall be computed and collected as herein-  
17 after provided.

1 SEC. 39. **Exemptions.** There are hereby specifically exempted  
2 from the provisions of this division and from the computation of the  
3 amount of tax imposed by it, the following:

4 a. The gross receipts from sales of tangible personal property  
5 which this state is prohibited from taxing under the constitution or  
6 laws of the United States or under the constitution of this state.

7 b. The gross receipts from the sales, furnishing or service of  
8 transportation service.

9 c. The gross receipts from sales of tangible personal property  
10 used for the performance of a contract on public works executed  
11 prior to the effective date of this division.

12 d. The gross receipts from sales of tickets or admissions to  
13 state, county, district and local fairs, and the gross receipts from  
14 educational, religious, or charitable activities, where the entire  
15 amount of such receipts is expended for educational, religious or  
16 charitable purposes.

1 SEC. 40. **Credit on tax.** A credit shall be allowed against the  
2 amount of tax computed to be due and payable on the gross receipts  
3 from sales at retail of any tangible personal property upon which  
4 the state of Iowa now imposes a special tax, whether in the form of  
5 a license tax, stamp tax, or otherwise, to the extent of the amount  
6 of such tax imposed and paid. Taxes paid on gross receipts repre-  
7 sented by accounts found to be worthless and actually charged off  
8 for income tax purposes may be credited upon a subsequent pay-  
9 ment of the tax herein provided; provided, that if such accounts are  
10 thereafter collected by the retailer, a tax shall be paid upon the  
11 amount so collected.

1 SEC. 41. **Credit to relief agency.** 1. A relief agency may apply  
2 to the board for refund of the amount of tax imposed hereunder

3 and paid upon sales to it of any goods, wares, or merchandise used  
4 for free distribution to the poor and needy.

5 2. Such refunds may be obtained only in the following amounts  
6 and manner and only under the following conditions:

7 a. On forms furnished by the board, and during the time herein  
8 provided for the filing of quarterly tax returns by retailers, the  
9 relief agency shall report to the board the total amount or amounts,  
10 valued in money, expended directly or indirectly for goods, wares,  
11 or merchandise used for free distribution to the poor and needy.

12 b. On these forms the relief agency shall separately list the  
13 persons making the sales to it or to its order, together with the  
14 dates of the sales, and the total amount so expended by the relief  
15 agency.

16 c. The relief agency must prove to the satisfaction of the board  
17 that the person making the sales has included the amount thereof  
18 in the computation of the gross receipts of such person and that  
19 such person has paid the tax levied by this division, based upon  
20 such computation of gross receipts.

21 3. If the board is satisfied that the foregoing conditions and  
22 requirements have been complied with, it shall refund the amount  
23 claimed by the relief agency.

1 **SEC. 41-a. Adding of tax.** Retailers shall, as far as practicable,  
2 add the tax imposed under this division, or the average equivalent  
3 thereof, to the sales price or charge and when added such tax shall  
4 constitute a part of such price or charge, shall be a debt from con-  
5 sumer or user to retailer until paid, and shall be recoverable at law  
6 in the same manner as other debts.

7 Agreements between competing retailers, or the adoption of ap-  
8 propriate rules and regulations by organizations or associations of  
9 retailers to provide uniform methods for adding such tax or the  
10 average equivalent thereof, and which do not involve price-fixing  
11 agreements otherwise unlawful, are expressly authorized and shall  
12 be held not in violation of chapter 434, Code, 1931, or other anti-  
13 trust laws of this state. It shall be the duty of the board to co-  
14 operate with such retailers, organizations, or associations in formu-  
15 lating such agreements, rules and regulations.

1 **SEC. 42. Unlawful acts.** It shall be unlawful for any retailer to  
2 advertise or hold out or state to the public or to any consumer,  
3 directly or indirectly, that the tax or any part thereof imposed by  
4 this division will be assumed or absorbed by the retailer or that it  
5 will not be considered as an element in the price to the consumer,  
6 or if added, that it or any part thereof will be refunded.

1 **SEC. 43. Records required.** It shall be the duty of every retailer  
2 required to make a report and pay any tax under this division, to  
3 preserve such records of the gross proceeds of sales as the board  
4 may require and it shall be the duty of every retailer to preserve  
5 for a period of two years all invoices and other records of goods,  
6 wares, or merchandise purchased for resale; and all such books, in-  
7 voices, and other records shall be open to examination at any time  
8 by the board or any one of its duly authorized agents.

1     **SEC. 44. Return of gross receipts.** 1. The retailer shall, on or  
2 before the twentieth day of the month following the close of the  
3 first quarterly period as defined in the following section, and on or  
4 before the twentieth day of the month following each subsequent  
5 quarterly period of three months, make out a return for the pre-  
6 ceding quarterly period in such form and manner as may be pre-  
7 scribed by the board, showing the gross receipts of the retailer, the  
8 amount of the tax for the period covered by such return, and such  
9 further information as the board may require to enable it correctly  
10 to compute and collect the tax herein levied; provided, however,  
11 that the board may, upon request by any retailer and a proper show-  
12 ing of the necessity therefor, grant unto such retailer an extension  
13 of time not to exceed thirty (30) days for making such return. If  
14 such extension is granted to any such retailer, the time in which he  
15 is required to make payment as provided for in section forty-five  
16 (45) of this act shall be extended for the same period.  
17     2. The board, if it deems it necessary or advisable in order to  
18 insure the payment of the tax imposed by this division, may require  
19 returns and payment of the tax to be made for other than quarterly  
20 periods, the provisions of section forty-five or elsewhere to the con-  
21 trary notwithstanding.  
22     3. Returns shall be signed by the retailer or his duly authorized  
23 agent, and must be verified by oath.

1     **SEC. 45. Payment of tax—bond.** 1. The tax levied hereunder  
2 shall be due and payable in quarterly installments on or before the  
3 twentieth day of the month next succeeding each quarterly period,  
4 the first of such quarterly periods being the period commencing  
5 with April 1, 1934, and ending on the thirtieth day of June, 1934.  
6     2. Every retailer, at the time of making the return required  
7 hereunder, shall compute and pay to the board the tax due for the  
8 preceding period.  
9     3. The board may, when in its judgment it is necessary and  
10 advisable to do so in order to secure the collection of the tax levied  
11 under this division, require any person subject to such tax to file  
12 with it a bond, issued by a surety company authorized to transact  
13 business in this state and approved by the insurance commissioner  
14 as to solvency and responsibility, in such amount as the board may  
15 fix, to secure the payment of any tax and/or penalties due or which  
16 may become due from such person. In lieu of such bond, securities  
17 approved by the board, in such amount as it may prescribe, may  
18 be deposited with it, which securities shall be kept in the custody  
19 of the board and may be sold by it at public or private sale, with-  
20 out notice to the depositor thereof, if it becomes necessary so to do  
21 in order to recover any tax and/or penalties due. Upon any such  
22 sale, the surplus, if any, above the amounts due under this division  
23 shall be returned to the person who deposited the securities.  
24     4. The tax by this division imposed upon those sales of motor  
25 vehicle fuel which are subject to tax and refund under sections  
26 5093-a1 to 5093-a12, Code of Iowa, 1931, shall be collected by the  
27 state treasurer by way of deduction from refunds otherwise allow-  
28 able under sections 5093-a8, 5093-a10 of that act. The amount of

29 such deductions he shall transfer from the motor vehicle fuel fund  
30 to the special tax fund.

1     **SEC. 46. Permits—applications for.** 1. Sixty days after the  
2 effective date of this act, it shall be unlawful for any person to  
3 engage in or transact business as a retailer within this state, unless  
4 a permit or permits shall have been issued to him as hereinafter  
5 prescribed. Every person desiring to engage in or conduct business  
6 as a retailer within this state shall file with the board an application  
7 for a permit or permits. Every application for such a permit shall  
8 be made upon a form prescribed by the board and shall set forth the  
9 name under which the applicant transacts or intends to transact  
10 business, the location of his place or places of business, and such  
11 other information as the board may require. The application shall  
12 be signed by the owner if a natural person; in the case of an asso-  
13 ciation or partnership, by a member or partner thereof; in the case  
14 of a corporation, by an executive officer thereof or some person  
15 specifically authorized by the corporation to sign the application, to  
16 which shall be attached the written evidence of his authority.

17     2. At the time of making such application, the applicant shall  
18 pay to the board a permit fee of fifty (50) cents for each permit,  
19 and the applicant must have a permit for each place of business.

20     3. Upon the payment of the permit fee or fees herein required,  
21 the board shall grant and issue to each applicant a permit for each  
22 place of business within the state. A permit is not assignable and  
23 shall be valid only for the person in whose name it is issued and for  
24 the transaction of business at the place designated therein. It shall  
25 at all times be conspicuously displayed at the place for which issued.

26     4. Permits issued under the provisions of this division shall be  
27 valid and effective without further payment of fees until revoked by  
28 the board.

29     5. Whenever the holder of a permit fails to comply with any  
30 of the provisions of this division or any rules or regulations of the  
31 board prescribed and adopted under this division, the board upon  
32 hearing after giving ten days' notice of the time and place of the  
33 hearing to show cause why his permit should not be revoked, may  
34 revoke the permit. The board shall also have the power to restore  
35 licenses after such revocation.

36     6. The board shall charge a fee of one dollar for the issuance of  
37 a permit to a retailer whose permit has been previously revoked.

1     **SEC. 47. Failure to file return—incorrect return.** If a return  
2 required by this division is not filed, or if a return when filed is  
3 incorrect or insufficient and the maker fails to file a corrected or  
4 sufficient return within twenty days after the same is required by  
5 notice from the board, such board shall determine the amount of  
6 tax due from such information as it may be able to obtain and, if  
7 necessary, may estimate the tax on the basis of external indices,  
8 such as number of employees of the person concerned, rentals paid  
9 by him, his stock on hand, and/or other factors. The board shall  
10 give notice of such determination to the person liable for the tax.  
11 Such determination shall finally and irrevocably fix the tax unless  
12 the person against whom it is assessed shall, within thirty days

13 after the giving of notice of such determination, apply to the board  
14 for a hearing or unless the board of its own motion shall reduce the  
15 same. At such hearing evidence may be offered to support such  
16 determination or to prove that it is incorrect. After such hearing  
17 the board shall give notice of its decision to the person liable for  
18 the tax.

1     **SEC. 48. Appeals.** 1. An appeal may be taken by the taxpayer  
2 to the district court of the county in which he resides, or in which  
3 his principal place of business is located, within sixty days after  
4 he shall have received notice from the board of its determination as  
5 provided for in the preceding section.

6     2. The appeal shall be taken by a written notice to the chairman  
7 of the board and served as an original notice. When said notice is  
8 so served it shall, with the return thereon, be filed in the office of  
9 the clerk of said district court, and docketed as other cases, with  
10 the taxpayer as plaintiff and the board as defendant. The plaintiff  
11 shall file with such clerk a bond for the use of the defendant, with  
12 sureties approved by such clerk, in penalty at least double the amount  
13 of tax appealed from, and in no case shall the bond be less than  
14 fifty (50) dollars, conditioned that the plaintiff shall perform the  
15 orders of the court.

16     3. The court shall hear the appeal in equity and determine anew  
17 all questions submitted to it on appeal from the determination of  
18 the board. The court shall render its decree thereon and a certified  
19 copy of said decree shall be filed by the clerk of said court with the  
20 board who shall then correct the assessment in accordance with said  
21 decree. An appeal may be taken by the taxpayer or the board to the  
22 supreme court of this state in the same manner that appeals are  
23 taken in suits in equity, irrespective of the amount involved.

1     **SEC. 49. Applicable statutes.** All the provisions of section twen-  
2 ty-two (22) of division II of this act shall apply in respect to the  
3 taxes and/or penalties imposed by this division.

1     **SEC. 50. Service of notices.** 1. Any notice, except notice of  
2 appeal, authorized or required under the provisions of this division  
3 may be given by mailing the same to the person for whom it is  
4 intended by registered mail, addressed to such person at the address  
5 given in the last return filed by him pursuant to the provisions of  
6 this division, or if no return has been filed, then to such address as  
7 may be obtainable. The mailing of such notice shall be presumptive  
8 evidence of the receipt of the same by the person to whom addressed.  
9 Any period of time which is determined according to the provisions  
10 of this division by the giving of notice shall commence to run from  
11 the date of registration and posting of such notice.

12     2. The provisions of the Iowa code relative to the limitation of  
13 time for the enforcement of a civil remedy shall not apply to any  
14 proceeding or action taken to levy, appraise, assess, determine or  
15 enforce the collection of any tax or penalty provided by this division.

1     **SEC. 51. Penalties—offenses.** 1. Any person failing to file a  
2 return or corrected return or to pay any tax within the time required  
3 by this division, shall be subject to a penalty of five (5) per cent



4 of the amount of tax due, plus one (1) per cent of such tax for  
 5 each month of delay or fraction thereof, excepting the first month  
 6 after such return was required to be filed or such tax became due;  
 7 but the board, if satisfied that the delay was excusable, may remit  
 8 all or any part of such penalty. Such penalty shall be paid to the  
 9 board and disposed of in the same manner as other receipts under  
 10 this division. Unpaid penalties may be enforced in the same man-  
 11 ner as the tax imposed by this division.

12 2. Any person who shall sell tangible personal property, tickets  
 13 or admissions to places of amusement and athletic events, or gas,  
 14 water, electricity and communication service at retail in this state  
 15 after his license shall have been revoked, or without procuring a  
 16 license within sixty (60) days after the effective date of this act,  
 17 as provided in section 46 of this act, or who shall violate the provi-  
 18 sions of section forty-two of this act, and the officers of any cor-  
 19 poration who shall so act, shall be guilty of a misdemeanor, punish-  
 20 ment for which shall be a fine of not more than one thousand dollars  
 21 or imprisonment for not more than one year, or both such fine and  
 22 imprisonment, in the discretion of the court.

23 3. Any person required to make, render, sign, or verify any  
 24 return or supplementary return, who makes any false or fraudulent  
 25 return with intent to defeat or evade the assessment required by  
 26 law to be made, shall be guilty of a felony and shall, for each such  
 27 offense, be fined not less than five hundred dollars and not more than  
 28 five thousand dollars, or be imprisoned not exceeding one year, or  
 29 be subject to both a fine and imprisonment, in the discretion of the  
 30 court.

31 4. The certificate of the board to the effect that a tax has not  
 32 been paid, that a return has not been filed, or that information has  
 33 not been supplied pursuant to the provisions of this division, shall  
 34 be prima facie evidence thereof.

#### Division V. Administration

1 **SEC. 52. Generally—bond—approval.** The board shall administer  
 2 the taxes imposed by this act. Each member of said board shall give  
 3 a bond in an amount to be fixed by the governor, which has been  
 4 issued by a surety company authorized to transact business in this  
 5 state and approved by the insurance commissioner as to solvency  
 6 and responsibility. The reasonable cost of said bond shall be paid  
 7 by the state, out of the proceeds of the taxes collected under the  
 8 provisions of this act.

1 **SEC. 53. Powers and duties.** 1. The board shall have the power  
 2 and authority to prescribe all rules and regulations not inconsistent  
 3 with the provisions of this act, necessary and advisable for its  
 4 detailed administration and to effectuate its purposes.

5 2. The board may, for administrative purposes, divide the state  
 6 into districts, provided that in no case shall a county be divided in  
 7 forming a district.

1 **SEC. 54. Funds.** All fees, taxes, interest, and penalties imposed  
 2 under this act must be paid to the board in the form of remittances

3 payable to the treasurer of the state of Iowa, and said board shall  
4 transmit each payment daily to the state treasurer to be deposited  
5 in the state treasury to the credit of a special tax fund, which fund  
6 is hereby created.

1     **SEC. 55. General powers.** 1. The board, for the purpose of  
2 ascertaining the correctness of any return or for the purpose of  
3 making an estimate of the taxable income and/or receipts of any  
4 taxpayer, shall have power: to examine or cause to be examined by  
5 any agent or representative designated by it, books, papers, records,  
6 or memoranda; to require by subpoena the attendance and testimony  
7 of witnesses; to issue and sign subpoenas; to administer oaths, to  
8 examine witnesses and receive evidence; to compel witnesses to pro-  
9 duce for examination books, papers, records and documents relating  
10 to any matter which it shall have the authority to investigate or  
11 determine.

12     2. Where the board finds the taxpayer has made a fraudulent  
13 return, the costs of said hearing shall be taxed to the taxpayer.  
14 In all other cases the costs shall be paid by the state.

15     3. The fees and mileage to be paid witnesses and taxed as costs  
16 shall be the same as prescribed by law in proceedings in the district  
17 court of this state in civil cases. All costs shall be taxed in the  
18 manner provided by law in proceedings in civil cases. Where the  
19 costs are taxed to the taxpayer they shall be added to the taxes  
20 assessed against said taxpayer and shall be collected in the same  
21 manner. Costs taxed to the state shall be certified by the secretary  
22 of the board to the state comptroller who shall issue warrant on the  
23 state treasurer for the amount of said costs, to be paid out of the  
24 proceeds of the taxes collected under this act.

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

33     5. Testimony on hearings before the board may be taken by a  
34 deposition as in civil cases, and any person may be compelled to  
35 appear and depose in the same manner as witnesses may be com-  
36 pelled to appear and testify as hereinbefore provided.

1     **SEC. 56. Assistants—salaries—expenses—bonds.** 1. The board  
2 may appoint and remove such agents, auditors, clerks, and employees  
3 as it may deem necessary, such persons to have such duties and  
4 powers as the board may, from time to time, prescribe.

5     2. The salaries of all agents and employees shall be fixed by the  
6 board subject to the approval of the executive council.

7     3. All such agents and employees shall be allowed such reason-  
8 able and necessary traveling and other expenses as may be incurred  
9 in the performance of their duties.

10     4. The board may require such of the officers, agents, and em-  
11 ployees as it may designate to give bond for the faithful performance

12 of the duties in such sum and with such sureties as it may determine  
13 and the state shall pay, out of the proceeds of the taxes collected  
14 under the provisions of this act, the premiums on such bonds.

15 5. The board may utilize the office of treasurer of the various  
16 counties in order to administer this act and effectuate its purposes,  
17 and may appoint the treasurers of the various counties its agents to  
18 collect any or all of the taxes imposed by this act, provided, how-  
19 ever, that no additional compensation shall be paid to said treasurer  
20 by reason thereof.

1 **SEC. 57. Information deemed confidential.** 1. It shall be unlaw-  
2 ful for the board, or any person having an administrative duty  
3 under this act, to divulge or to make known in any manner what-  
4 ever, the business affairs, operations, or information obtained by  
5 an investigation of records and equipment of any person or cor-  
6 poration visited or examined in the discharge of official duty, or the  
7 amount or source of income, profits, losses, expenditures or any  
8 particular thereof, set forth or disclosed in any return, or to permit  
9 any return or copy thereof or any book containing any abstract or  
10 particulars thereof to be seen or examined by any person except as  
11 provided by law; provided, however, that the board may authorize  
12 examination of such returns by other state officers, or, if a reciprocal  
13 arrangement exists, by tax officers of another state, or the federal  
14 government.

15 2. Any person violating the provisions of subsection one of this  
16 section shall be guilty of a misdemeanor and punishable by a fine  
17 not to exceed one thousand (1,000) dollars.

1 **SEC. 58. Correction of errors.** If it shall appear that, as a result  
2 of mistake, an amount of tax, penalty, or interest has been paid  
3 which was not due under the provisions of this act, then such amount  
4 shall be credited against any tax due, or to become due, under this  
5 act from the person who made the erroneous payment, or such  
6 amount shall be refunded to such person by the board.

1 **SEC. 59. Certification of refund.** Wherever in any division of this  
2 act a refund is authorized, the board shall certify the amount of the  
3 refund and the name of the payee to the state comptroller. Upon  
4 certification from the board, the state comptroller shall draw his  
5 warrant on the special tax fund in the amount specified payable to  
6 the named payee, and the state treasurer shall pay the same.

1 **SEC. 60. Statistics—publication of.** The board shall prepare and  
2 publish annually statistics reasonably available, with respect to the  
3 operation of this act, including amounts collected, classification of  
4 taxpayers, and such other facts as are deemed pertinent and valuable.

#### Division VI. Allocation of Revenues

1 **SEC. 61. Generally.** All revenues arising under the operation of  
2 this act and carried by the treasurer of state in the special tax  
3 fund shall be apportioned as follows:

4 1. Three (3) per cent of said fund shall be transferred to the  
5 general fund of the state as the same is collected.

6 2. During the year 1934 only, the board shall set aside and cause  
7 to be paid into a fund to be known as the "state emergency relief  
8 fund", which fund is hereby created, the next three million  
9 (3,000,000) dollars collected under this act; to be used as provided  
10 in senate file 281, acts of the Forty-fifth General Assembly in ex-  
11 traordinary session.

12 3. On January 1, 1935, and quarterly thereafter, the board shall  
13 set aside and cause to be paid into the general fund of the state from  
14 the balance of said special tax fund a sum of not to exceed one  
15 million five hundred thousand (1,500,000) dollars quarterly, with  
16 which, together with other state revenues expendable for such pur-  
17 poses, to pay all items of general expense of the state government  
18 for the current calendar year as authorized and appropriated for by  
19 the general assembly. Provided, however, that if the sum to be so  
20 set aside and paid as provided above and anticipated as hereinafter  
21 provided, together with other state revenues expendable for such  
22 purposes, for any year, is insufficient to pay all of said items of  
23 general expense for said year, a levy and certification shall be made  
24 by the board under the provisions of sections seventy-one hundred  
25 eighty-two (7182) and seventy-one hundred eighty-three (7183),  
26 Code, 1931, sufficient to raise such deficiency. Provided, further,  
27 that commencing with the 1934 state tax levy the board in making  
28 such levy and certification as provided by sections seventy-one hun-  
29 dred eighty-two (7182) and seventy-one hundred eighty-three  
30 (7183), Code, 1931, shall take into consideration the anticipated  
31 amount of quarterly payments to be made as provided herein for  
32 the next ensuing calendar year, and shall reduce accordingly the levy  
33 and certification by such amount so anticipated. The provisions of  
34 chapter 247, acts of the Forty-fifth General Assembly, are hereby  
35 repealed insofar as they conflict with the provisions of this act.

36 4. The balance of said fund, after the provisions of paragraphs  
37 one (1), two (2) and three (3) hereof have been complied with  
38 and any sums payable thereunder anticipated and set aside, shall  
39 be distributed from time to time upon order of the board in accord-  
40 ance with the provisions of this act, on warrants drawn by the  
41 comptroller upon direction of the board, and made payable to the  
42 county treasurer of the several counties of the state.

1 **SEC. 62. Ratio and manner of distribution.** 1. The revenue dis-  
2 tributable under paragraph four (4) of section sixty-one of this  
3 act shall be allocated each year to the several counties of the state  
4 in the same proportion that the assessed valuation of the taxable  
5 real and tangible personal property, including bank stock and private  
6 banks taxed at the same millage rate as tangible personal property,  
7 in that county for the next preceding tax year bears to the assessed  
8 valuation of the total taxable real and tangible personal property,  
9 including bank stock and private banks taxed at the same millage  
10 rate as tangible personal property, in the state for the next preced-  
11 ing tax year.

12 2. On August 1, 1935, and annually thereafter, the board shall  
13 certify to the county treasurer of each county in the state, the total

14 amount of the money which has been apportioned and/or is then  
15 apportionable to that county.

16 3. The county treasurer shall then distribute the amount so cer-  
17 tified to the several taxing districts of that county by the following  
18 procedure. He shall enter a credit against the second installment  
19 of the tax bill of each taxpayer in said county, being the tax bill of  
20 the next preceding tax year, due and payable in the current year,  
21 the amount of such credit to be in the same proportion to the amount  
22 so certified as the assessed valuation of such taxpayer's taxable real  
23 and personal property, including bank stock and private banks taxed  
24 at the same millage rate as tangible personal property, for the next  
25 preceding tax year, bears to the total assessed valuation of taxable  
26 real and tangible personal property, including bank stock and pri-  
27 vate banks taxed at the same millage rate as tangible personal  
28 property, in that county for the next preceding tax year. The  
29 amount of money so credited shall forthwith be distributed by the  
30 county treasurer to the several taxing districts of said county, the  
31 same as though the amount thereof had been paid to the treasurer  
32 of said county by the taxpayers of said taxing district. In the event  
33 that a taxpayer has paid both installments of the tax prior to the  
34 time of entry of such credit, the county treasurer shall, at the same  
35 time that he enters such credit, remit to such taxpayer the amount  
36 of such credit. Provided, however, in no instance shall a credit or  
37 remittance of less than fifty (50) cents be made on the tax bill of  
38 any taxpayer, but that portion of the amount so certified represent-  
39 ing such credits or remittances of less than fifty (50) cents shall be  
40 credited to the poor fund of said county by said county treasurer.

1 **SEC. 63. Appropriation.** For expenditure by the board in carry-  
2 ing out the provisions of this act, there is hereby appropriated from  
3 the general fund of the state, not otherwise appropriated, a sum of  
4 seventy-five thousand (75,000) dollars for the year 1934 and in  
5 addition thereto, for the year 1934 and thereafter, an amount equal  
6 to three (3) per cent of the amount of taxes collected under this  
7 act; provided, however, that any balance of said amount equal to  
8 said three per cent remaining after the payment of administrative  
9 expense, shall be transferred back to the special tax fund.

#### Division VII. General Provisions

1 **SEC. 64. Constitutionality.** If any section, subsection, clause, sen-  
2 tence, or phrase of this act is for any reason held to be unconstitu-  
3 tional and invalid, such decision shall not affect the validity of the  
4 remaining portions of this act. The legislature hereby declares that  
5 it would have passed this act and each section, subsection, clause,  
6 sentence, or phrase hereof, irrespective of whether any one or more  
7 of the sections, subsections, clauses, sentences, or phrases be de-  
8 clared unconstitutional.

1 **SEC. 65. Repealing clause.** All laws and parts of laws in conflict  
2 with this act are hereby repealed.

1 **SEC. 66. Publication clause.** This act, being deemed of immediate  
2 importance, shall be in full force and effect after its passage and

3 publication in the . . . . ., a newspaper published  
4 at. . . . ., Iowa, and in the . . . . ., a  
5 newspaper published at . . . . ., Iowa.

House File No. 1. Approved March 1, 1934.

I hereby certify that the foregoing act was published in the Sigourney Review, March 7, 1934, and Sioux Center News, March 8, 1934, in accordance with section 55, Code, 1931.  
MRS. ALEX MILLER, *Secretary of State.*

## CHAPTER 83

### TAXATION. AMENDATORY TO HOUSE FILE 1

#### S. F. 326

AN ACT to amend House File 1, acts of the Forty-fifth General Assembly, in extraordinary session, and approved by the governor on the first day of March, 1934, and now on file in the office of the secretary of state, relating to taxation and to exempt certain associations from the provisions of said act imposing a business tax on corporations.

*Be it enacted by the General Assembly of the State of Iowa:*

1 SECTION 1. Section twenty-nine (29) of House File 1, acts of the  
2 Forty-fifth General Assembly, in extraordinary session, and ap-  
3 proved by the governor on the first day of March, 1934, and now on  
4 file in the office of the secretary of state, is amended by adding to  
5 said section twenty-nine (29), as subdivision f, the following:  
6 "f. Farmers' associations and fruit growers' associations, or like  
7 organizations organized and operated as sales agents for the purpose  
8 of marketing the products of members and turning back to them  
9 the proceeds of sales, less the necessary selling expense, on the basis  
10 of the quantity of produce furnished by them."

1 SEC. 2. This act, being deemed of immediate importance, shall  
2 be in full force and effect after its passage and publication in the  
3 Kossuth County Advance, a newspaper published at Algona, Iowa,  
4 and in the Indianola Record, a newspaper published at Indianola,  
5 Iowa.

Senate File No. 326. Approved March 10, 1934.

I hereby certify that the foregoing act was published in the Kossuth County Advance, March 22, 1934, and Indianola Record, March 16, 1934.

MRS. ALEX MILLER, *Secretary of State.*