

33 which is assessed, then the remainder shall be assessed and levied on
 34 at the current rate of the taxing district in which the plant is located.
 35 Tax moneys received from such remainder assessments and levies
 36 shall be paid to the county treasurer, who shall pay such tax moneys
 37 to the treasurer of state not later than fifteen days from the date the
 38 moneys are received by the county treasurer for deposit in the gen-
 39 eral fund of the state.

40 c. Notwithstanding the provisions of paragraph b of this subsection,
 41 if the owner is a municipal electric utility, the remaining taxable value
 42 shall be allocated to each taxing district in which the municipal elec-
 43 tric utility is serving customers and has electric meters in operation in
 44 the ratio that the number of operating electric meters of the municipi-
 45 pal electric utility located in the taxing district bears to the total num-
 46 ber of operating electric meters of the municipal electric utility in
 47 the state as of January first of the calendar year in which the assess-
 48 ment is made. If the municipal electric utility has no operating elec-
 49 tric meters in this state, then the remainder shall be assessed and
 50 levied on at the current rate of the taxing district in which the elec-
 51 tric power generating plant is located. Tax moneys received from
 52 such remainder assessment and levies shall be paid to the county
 53 treasurer, who shall pay such tax moneys to the treasurer of state not
 54 later than fifteen days from the date the tax moneys are received by
 55 the county treasurer for deposit in the general fund of the state.

56 All municipal electric utilities which shall have taxable value ap-
 57 portioned under this section shall, annually on or before the first day
 58 of May of each calendar year, make a report listing the total operat-
 59 ing meters of the municipal electric utility in each taxing district it
 60 serves as of the first day of January of each calendar year on forms
 61 provided by the department of revenue.

62 d. If an electric power generating plant is jointly owned by two or
 63 more owners, each owner's pro rata share of the first twelve million
 64 dollars of taxable value shall be apportioned to the taxing district or
 65 districts in which such plant is situated. Each owner's pro rata share
 66 of the remainder of such taxable value shall be allocated as provided
 67 in paragraphs b and c of this subsection, whichever is applicable.

Approved July 18, 1973.

This Act was passed by the G. A. before July 1, 1973.

CHAPTER 257

MARINE INSURANCE TAXATION

S. F. 123

AN ACT relating to the taxation of marine insurance underwriting profits.

Be It Enacted by the General Assembly of the State of Iowa:

1 SECTION 1. NEW SECTION. Every insurer authorized to do the
 2 business of selling marine insurance in this state, as authorized in
 3 section five hundred fifteen point forty-eight (515.48) of the Code,
 4 shall, with respect to all insurance written within this state upon
 5 hulls, freights, or disbursements, or upon goods, wares, merchandise
 6 and all other personal property and interests therein, in the course of

7 exportation from or importation into any country, or transportation
8 coastwise including transportation by land or water from point of
9 origin to final destination in respect to or appertaining to or in con-
10 nection with, any and all risks or perils of navigation, transit or
11 transportation and upon the property while being prepared for and
12 while awaiting shipment, and during any delays, storage, transship-
13 ment or reshipment incident thereto, including war risks and marine
14 builder's risks, pay a tax of six and one-half percent on its taxable
15 underwriting profit ascertained as provided in section two (2) of this
16 Act, from such insurance written within this state.

1 SEC. 2. NEW SECTION. The underwriting profit on such insur-
2 ance written within this state shall be that proportion of the total
3 underwriting profit of such insurer from such insurance written
4 within the United States which the amount of net premiums of such
5 insurer from such insurance written within this state bears to the
6 total amount of net premiums of such insurer from such insurance
7 written within the United States.

1 SEC. 3. NEW SECTION. The underwriting profit of such insurer
2 on such insurance written within the United States shall be deter-
3 mined by deducting from the net earned premiums on such ocean
4 marine insurance written within the United States during the taxable
5 year which is the calendar year preceding the date on which such tax
6 is due, the following items:

7 1. Net losses incurred, which means gross losses incurred during
8 such calendar year under ocean marine insurance contracts written
9 within the United States, less reinsurance claims collected or collect-
10 ible and less net salvages or recoveries collected or collectible from any
11 source applicable to the corresponding losses under such contracts.

12 2. Net expenses incurred in connection with such ocean marine con-
13 tracts, including all state and federal taxes in connection therewith,
14 but in no event shall the aggregate amount of such net expenses de-
15 ducted exceed forty percent of the net premiums on such ocean marine
16 insurance contracts, ascertained as provided in section four (4) of this
17 Act.

18 3. Net dividends paid or credited to policyholders on such ocean
19 marine insurance contracts.

1 SEC. 4. NEW SECTION. In determining the amount of the tax
2 imposed by this Act, net earned premiums on ocean marine insurance
3 contracts written within the United States during the taxable year
4 shall be arrived at by deducting from gross premiums written on such
5 contracts during the taxable year all return premiums, premiums on
6 policies not taken, premiums paid for reinsurance of such contracts
7 and net unearned premiums on all such outstanding contracts at the
8 end of the taxable year, and adding to such amount net unearned pre-
9 miums on such outstanding marine insurance contracts at the end of
10 the calendar year preceding the taxable year.

1 SEC. 5. NEW SECTION. In determining the amount of the tax
2 imposed by this Act, net expenses incurred shall be determined as the
3 sum of the following:

4 1. Specific expenses incurred on such ocean marine insurance busi-
5 ness, consisting of all commissions, agency expenses, taxes, licenses,
6 fees, loss adjustment expenses, and all other expenses incurred directly
7 and specifically in connection with such business, less recoveries or
8 reimbursements on account of or in connection with such commissions
9 or other expenses collected or collectible because of reinsurance or
10 from any other source.

11 2. General expenses incurred on such ocean marine insurance busi-
12 ness, consisting of that proportion of general or overhead expenses
13 incurred in connection with such business which the net premiums on
14 such ocean marine insurance written during the taxable year bear to
15 the total net premiums written by such insurer from all classes of
16 insurance written by it during the taxable year. Within the meaning
17 of this subsection, general or overhead expenses shall include salaries
18 of officers and employees, printing and stationery, all taxes of this
19 state and of the United States, except as included in subsection one
20 (1) of this section, and all other expenses of such insurer, not included
21 in subsection one (1) of this section, after deducting expenses spe-
22 cifically chargeable to any or all other classes of insurance business.

1 SEC. 6. NEW SECTION. In determining the amount of the tax
2 imposed by this Act, the taxable underwriting profit of such insurer
3 on such ocean marine insurance business written within this state,
4 shall be ascertained as follows:

5 1. In the case of every such insurer which has written any such
6 business within this state during three calendar years immediately
7 preceding the year in which such taxes were payable, the taxable
8 underwriting profit shall be determined by adding or subtracting, as
9 the case may be, the underwriting profit or loss on all such insurance
10 written within the United States, ascertained as hereinbefore pro-
11 vided, for each of such three years and dividing by three.

12 2. In the case of every such insurer other than as specified in sub-
13 section one (1) of this section such taxable underwriting profit, if
14 any, shall be the underwriting profit, if any, on such ocean marine
15 insurance business written within this state during the taxable year,
16 ascertained as hereinbefore provided, but after such insurer has writ-
17 ten such ocean marine insurance business within this state during
18 three calendar years, an adjustment shall be made on the three-year
19 average basis by ascertaining the amount of tax payable in accordance
20 with subsection one (1) of this section.

1 SEC. 7. NEW SECTION. The tax imposed by this Act shall be paid
2 annually, on or before the first day of June, by every insurer author-
3 ized to do the business of marine insurance in this state during any
4 one or more of the preceding three calendar years, and the calendar
5 year next preceding such June first shall be deemed the taxable year
6 within the meaning of this section.

1 SEC. 8. NEW SECTION. Every insurer liable to pay the tax shall,
2 on or before June first of each year, file with the commissioner of
3 insurance a tax return in accordance with or upon forms prescribed
4 by the commissioner of insurance. The tax shown to be due, if any,
5 shall be paid to the director of revenue who shall issue to the insurer
6 a receipt in duplicate, one of which shall be filed with the commissioner

7 of insurance before issuance of the annual certificate as provided by
8 law.

1 SEC. 9. NEW SECTION. The tax imposed by this Act shall be paid
2 upon the marine underwriting profits, if any, upon all marine insur-
3 ance business written in this state during the calendar year nineteen
4 hundred seventy-three and each calendar year thereafter. The tax on
5 gross premiums under section four hundred thirty-two point one
6 (432.1) of the Code shall not be levied on marine insurance premiums
7 reportable in a tax return prescribed by the commissioner of insurance
8 to record taxable underwriting profit, if any, defined herein. The tax
9 return required shall be in lieu of all other tax requirements imposed
10 by section four hundred thirty-two point one (432.1) of the Code.

1 SEC. 10. Section four hundred thirty-two point one (432.1), sub-
2 section two (2), Code 1973, is amended to read as follows:

3 2. Two percent of gross amount of premiums, assessments, and fees
4 received during the preceding calendar year by every company or
5 association other than life on contracts of insurance other than life
6 for business done in this state, including all insurance upon property
7 situated in this state, after deducting the amounts returned upon can-
8 celed policies, certificates and rejected applications *but not including*
9 *the gross premiums, assessments and fees in connection with ocean*
10 *marine insurance authorized in section five hundred fifteen point forty-*
11 *eight (515.48) of the Code.*

Approved May 25, 1973.

CHAPTER 258

SCHOOL FOUNDATION PROGRAM

H. F. 359

AN ACT amending the state school foundation program by providing that special methods of computing state school foundation aid will be continued for only two years, providing two alternate dates for determining enrollment, including in enrollment certain pupils for which the school district pays tuition to attend an Iowa area school, excluding pupils attending a university laboratory school from any district's enrollment, defining miscellaneous income and other terms, adding new definitions, excluding miscellaneous income from certain computations, limiting proposed and actual expenditures, establishing state percent of growth at five percent for the school year beginning July 1, 1973, limiting state percent of growth to a maximum of five percent for the school year beginning July 1, 1974, providing greater equalization by increasing the allowable growth for districts whose district cost per pupil is below state cost per pupil, establishing the state cost per pupil for certain years, requiring the use of budget amounts rather than actual expenditures for certain computations, revising the determination of district cost, district cost per pupil, and the additional school district property tax levy, revising and clarifying the duties and powers of the school budget review committee, requiring the school budget review committee to permit or increase allowable growth in certain hardship situations related to the exclusion of miscellaneous income from certain computations, permitting the school budget review committee to establish a modified allowable growth, to authorize certain expenditures by a school district, or to authorize a limited tax levy for one year under certain conditions, or to grant supplemental aid from funds appropriated for this purpose, revising the procedures for establishing, increasing, or continuing a school district income surtax, repealing