

CHAPTER 1133
INCOME AND FRANCHISE TAXES

S. F. 2253

AN ACT providing for uniformity in the computation of interest on overpayments made under the individual and corporate income and franchise taxes.

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

Section 1. Section four hundred twenty-two point twenty-five (422.25), subsection three (3), Code 1979, is amended to read as follows:

3. If the amount of the tax as determined by the department ~~shall be~~ is less than the amount ~~theretofore~~ paid, the excess shall be refunded with interest after ~~sixty~~ thirty days from the date of payment or the date the return was due to be filed, whichever is the later at the rate of three-fourths of one percent per month counting each fraction of a month as an entire month under the provisions-of-such rules as-may-be prescribed by the director. If an overpayment of tax results from a net operating loss or net capital loss which is carried back to a prior year, the overpayment, for purposes of computing interest on refunds, shall be considered as having been made at the close of the taxable year in which the net operating loss or net capital loss occurred or ~~sixty~~ thirty days from the date of the actual payment of the tax, whichever is later. However, when the net operating loss or net capital loss carry back to a prior year eliminates or reduces an underpayment of tax due for an earlier year, the full amount of the underpayment of tax shall bear interest at the rate of three-fourths of one percent per month counting each fraction of a month as an entire month from the due date of the tax for the earlier year to the last day of the taxable year in which the net operating loss or net capital loss occurred.

Sec. 2. Section four hundred twenty-two point ninety-one (422.91), unnumbered paragraph one (1), Code 1979, is amended to read as follows:

Any amount of tax paid on a declaration of estimated tax shall be a credit against the amount of tax due on a final, completed return, and any overpayment of five dollars or more shall be refunded to the taxpayer with interest after thirty days from the date of payment or the date the return was due to be filed, whichever is the later, at the rate of three-fourths of one percent per month or fraction of a month and ~~such~~ the return shall constitute a claim for refund for this purpose. Amounts less than five dollars shall be refunded to the taxpayer only upon written application in accordance with section 422.73, but only if ~~such~~ the application is filed within twelve months after the due date for the return.

Approved May 17, 1980