

CHAPTER 137
SERVICE OR MAINTENANCE CONTRACTS TAXED

H. F. 468

AN ACT relating to the taxation of certain optional service or maintenance contracts which provide for the furnishing of labor and materials for a fixed price.

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

Section 1. Section 422.43, Code 1981, is amended by inserting after unnumbered paragraph 3 the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. There is imposed a tax of three percent upon the gross receipts from the sales of optional service or warranty contracts which provide for the furnishing of labor and materials and require the furnishing of any taxable service enumerated under this section. The gross receipts are subject to tax even if some of the services furnished are not enumerated under this section. For the purpose of this division, the sale of an optional service or warranty contract is a sale of tangible personal property. No additional sales, services or use tax shall be levied on services, parts, or labor provided under optional service or warranty contracts which are subject to tax under this section.

Approved May 11, 1981

CHAPTER 138
INCOME TAX REFUNDS CREDITED AGAINST OTHER TAX LIABILITY

S. F. 263

AN ACT authorizing the department of revenue to credit income and franchise tax refunds against the tax liability of the taxpayer.

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

Section 1. Section 422.73, subsection 2, Code 1981, is amended to read as follows:

2. If it ~~shall appear~~ appears that, ~~as-a-result-of-mistake,~~ an amount of tax, penalty, or interest has been paid which was not due under ~~the provisions-of~~ divisions II, III or V of this chapter, then ~~such~~ that amount shall be credited against any tax due, ~~or-to-become-due,~~ under this chapter on the books of the department ~~from--the--person--who--made--the--erroneous payment,~~ by the person who made the excessive payment, or ~~such~~ that amount

shall be refunded to ~~such~~ the person by the department or with the person's approval, credited to tax to become due. A claim for refund or credit that has not been filed with the department within three years after the return upon which a refund or credit claimed became due, or within one year after the payment of the tax upon which a refund or credit is claimed was made, whichever time is the later, shall not be allowed by the director, ~~if.~~ If, as a result of a carryback of a net operating loss or a net capital loss, the amount of tax in a prior period is reduced and an overpayment results, the claim for refund or credit of the overpayment shall be filed with the department within the three years after the return for the taxable year of the net operating loss or net capital loss became due. Notwithstanding the period of limitation specified, the taxpayer shall have six months from the day of final disposition of any income tax matter between the taxpayer and the internal revenue service with respect to the particular tax year ~~or years~~ to claim an income tax refund or credit, provided the taxpayer has notified the department of revenue in writing no later than six months after the expiration of the three-year limitations period of the existence of ~~such~~ this income tax matter.

Approved May 19, 1981

CHAPTER 139
MILITARY SERVICE TAX CREDITS
S. F. 113

AN ACT relating to the payment of claims by counties for military service tax credits to be effective upon publication.

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

Section 1. Notwithstanding chapter 426A, all moneys in the military service tax credit fund shall be transferred to the general fund of the state on the effective date of this Act and payments provided for in section 426A.4 shall be made from the general fund of the state ending June 30, 1982. Notwithstanding section 123.53, subsection 7, funds required by that subsection to be deposited in the military service tax credit fund shall be deposited in the general fund of the state beginning on the effective date of this Act and ending June 30, 1982.

Sec. 2. Section 426A.4, Code 1981, is amended to read as follows:

426A.4 CERTIFICATION BY DIRECTOR OF REVENUE. Sums distributable from the military service tax credit fund shall be allocated every six months to the several counties of the state. On March 25 and September 25 annually the director of revenue shall certify to the comptroller the total credits claimed by each county. Upon receipt of the certification from the director of revenue, the comptroller shall draw warrants to the treasurer of each