

**CHAPTER 1164****STATE SALES, SERVICES AND USE TAX***S.F. 362*

**AN ACT** relating to the state sales, services and use tax by allowing retailers to provide their own tax exemption certificate, by requiring payments of use taxes to be applied first to accrued penalty and interest and by making corrective changes.

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

Section 1. Section 321.30, subsection 6, Code 1981, is amended to read as follows:

6. That the required sales use tax has not been paid.

Sec. 2. Section 422.47, subsection 4, unnumbered paragraph 1, Code 1981, is amended to read as follows:

The department shall issue or the seller may separately provide exemption certificates in such the form as prescribed by the director may require to assist retailers in properly accounting for nontaxable sales of tangible personal property or services to buyers purchasers for purposes of resale or for processing.

Sec. 3. Section 422.47, subsection 4, paragraphs a and c, Code 1981, are amended to read as follows:

a. A valid exemption certificate is an exemption certificate ~~as required and supplied by the department,~~ which is complete and correct according to the requirements of the director.

c. ~~The certificate shall state that there is no penalty for perjury if the purchaser has completed the certificate in good faith based upon the facts known at the time of its completion. If the circumstances should change and the tangible personal property or services are used or disposed of by the purchaser in a nonexempt manner, the purchaser shall be is liable solely for the taxes and shall remit said the taxes directly to the department in accordance with this subsection.~~

Sec. 4. Section 423.23, Code 1981, is amended to read as follows:

**423.23 STATUTES APPLICABLE.** The director is hereby charged with the enforcement of the provisions of shall enforce this chapter, and the director and employees of the department shall administer this chapter and the taxes imposed by this chapter in the same manner and subject to all of the provisions of, and all of the powers, duties, authority, and restrictions contained in section 422.25, subsection 4, section 422.30 and sections 422.67 to 422.75 ~~or any amendments which may hereafter be made thereto, all of which sections are by this reference incorporated herein.~~

Approved May 3, 1982