

CHAPTER 1194
TAX MODIFICATIONS
H.F. 2288

AN ACT striking a special provision relating to the apportionment of net income of a farm corporation for purposes of the corporate income tax, striking provisions prohibiting a franchise tax refund or claim and a sales, services, and use tax refund or claim for taxes voluntarily paid based upon an alleged mistake of law, and providing effective dates.

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

Section 1. Section 422.33, subsection 2, unnumbered paragraph 1, Code Supplement 1985, is amended to read as follows:

If the trade or business of the corporation is carried on entirely within the state, ~~or if the trade or business consists of the operation of a farm and the property is located entirely within the state,~~ the tax shall be imposed on the entire net income, but if ~~such~~ the trade or business is carried on partly within and partly without the state, ~~or if the trade or business consists of the operation of a farm and the property is located partly within and partly without the state,~~ the tax shall be imposed only on the portion of the net income reasonably attributable to the trade or business within the state, ~~said~~ with the net income attributable to the state to be determined as follows:

Sec. 2. Section 422.63, unnumbered paragraph 2, Code 1985, is amended by striking the paragraph.

Sec. 3. Section 422.73, subsection 1, unnumbered paragraph 2, Code Supplement 1985, is amended by striking the paragraph.

Sec. 4. Section 1 of this Act is retroactive to January 1, 1986 for tax years beginning on or after January 1, 1986.

Approved May 20, 1986

CHAPTER 1195
TERMINATING BEEF AND SOYBEAN ASSESSMENTS
H.F. 2378

AN ACT providing for referendums to terminate the collection of the beef and soybean assessments.

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

Section 1. Section 181.10, unnumbered paragraph 3, Code 1985, is amended by striking the unnumbered paragraph.

Sec. 2. Section 181.14, unnumbered paragraph 1, Code 1985, is amended by striking the unnumbered paragraph.

Sec. 3. Section 181.15, unnumbered paragraph 3, Code 1985, is amended by striking the unnumbered paragraph.

Sec. 4. Section 181.19, Code 1985, is amended by adding the following new unnumbered paragraphs:

NEW UNNUMBERED PARAGRAPH. An assessment adopted following the initial referendum shall be effective for four years from its effective date and shall be either extended or terminated as provided in this section.

NEW UNNUMBERED PARAGRAPH. Upon receipt of a petition not less than one hundred fifty nor more than two hundred forty days from a four-year anniversary of the effective date of the assessment, signed within that same period by a number of producers equal to or greater than two percent of the number of producers reported in the most recent United States census of agriculture, requesting a referendum to determine whether to extend the assessment, the secretary shall call a referendum to be conducted not earlier than thirty days before the four-year anniversary date. If the secretary determines that extension of the assessment is not favored by a majority of the producers voting in the referendum, the secretary and the board shall terminate the assessment in an orderly manner as soon as practicable after the determination.

NEW UNNUMBERED PARAGRAPH. If no valid petition for extension is received by the secretary within the time period described above, or if a petition is received but the referendum to extend the assessment passes, the assessment shall continue in effect for four additional years from the anniversary of its effective date described above.

Sec. 5. Section 185.15, Code 1985, is amended to read as follows:

185.15 INITIAL MEETING.

The initial board shall meet and organize following the members' election, and the promotional order, including the assessment, shall become effective sixty days following the date of the election of the board. A promotional order shall be effective for four years from its effective date, and upon each four-year anniversary of its effective date shall be either extended or terminated as provided in this chapter.

Sec. 6. Section 185.25, Code 1985, is amended by striking the section and inserting in lieu thereof the following:

185.25 EFFECTIVE PERIOD OF PROMOTIONAL ORDER.

An assessment adopted upon the initiation of a promotional order shall be collected during the effective period of a promotional order, and shall be of no force or effect upon termination of a promotional order. Upon adoption of an initial promotional order, that promotional order shall be effective for four years from its effective date and shall be either extended or terminated as provided in this section.

Upon receipt of a petition not less than one hundred fifty nor more than two hundred forty days from a four-year anniversary of the effective date of an initial promotional order signed within that same period by a number of producers equal to or greater than one percent of the number of producers reported in the most recent United States census of agriculture, requesting a referendum to determine whether to extend the assessment, the secretary shall call a referendum to be conducted not earlier than thirty days before the four-year anniversary date. If the secretary determines that extension of the assessment is not favored by a majority of the producers voting in the referendum, the secretary and the board shall terminate the assessment in an orderly manner as soon as practicable after the determination. If the assessment is terminated, another referendum shall not be held within one hundred eighty days. A succeeding referendum shall be called by the secretary upon the petition of a number of producers equal to or greater than one percent of the number of producers reported in the most recent United States census of agriculture requesting a referendum, who shall guarantee the costs of the referendum.

If no valid petition is received by the secretary within the time period described above, or if a petition is received but the referendum to extend the assessment passes, the promotional order shall continue in effect for four additional years from the anniversary of its effective date described above.

Approved May 20, 1986