

**CHAPTER 14**

## INHERITANCE TAX FRAUD AND TRANSFERS TO MINORS

H.F. 281

**AN ACT** relating to certain penalties for filing false affidavits and the time for examining and determining a correct return under the state inheritance tax and increasing the amount of property that may be transferred to minors under certain conditions and including a retroactive applicability date provision.

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

Section 1. Section 450.22, subsection 4, Code 2005, is amended to read as follows:

4. If a return is not required to be filed pursuant to subsection 3, and if real estate is involved, one of the individuals with an interest in, or succeeding to an interest in, the real estate shall file an affidavit in the county in which the real estate is located setting forth the legal description of the real estate and the fact that an inheritance tax return is not required pursuant to subsection 3. ~~If a false affidavit is filed, the affiant and the personal representative shall be jointly and severally liable for any tax, penalty, and interest that may have been due. Any otherwise applicable statute of limitations on the assessment and collection of the tax, penalty, and interest shall not apply. Anyone with or succeeding to an interest in real estate who willfully fails to file such an affidavit, or who willfully files a false affidavit, is guilty of a fraudulent practice.~~

Sec. 2. Section 450.53, subsection 2, Code 2005, is amended to read as follows:

2. a. A person in possession of assets to be reported for purposes of taxation, including a personal representative or trustee, who willfully makes a false or fraudulent return, or who willfully fails to pay the tax, or who willfully fails to supply the information, necessary to prepare the return or determine if a return is required, or who willfully fails to make, sign, or file the required return within the time required by law, is guilty of a fraudulent practice. This paragraph subsection does not apply to failure to make, sign, or file a return or failure to pay the tax if a return is not required to be filed pursuant to subsection 1, paragraph "b".

~~b. If a false affidavit is filed, the affiant and the personal representative shall be jointly and severally liable for any tax, penalty, and interest that may have been due. Any otherwise applicable statute of limitations on the assessment and collection of the tax, penalty, and interest shall not apply.~~

Sec. 3. Section 450.58, subsection 2, Code 2005, is amended to read as follows:

2. If an inheritance tax return is not required to be filed pursuant to section 450.53, subsection 1, paragraph "b", the personal representative's final settlement of account need not contain an inheritance tax receipt from the department, but shall, instead, contain the personal representative's ~~statement, under oath,~~ certification under section 633.35 that an inheritance tax return is not required to be filed pursuant to section 450.53, subsection 1, paragraph "b". ~~If a false affidavit is filed, the affiant and the personal representative shall be jointly and severally liable for any tax, penalty, and interest that may have been due. Any otherwise applicable statute of limitations on the assessment and collection of the tax, penalty, and interest shall not apply.~~

Sec. 4. Section 450.94, subsection 5, Code 2005, is amended by adding the following new paragraph:

NEW PARAGRAPH. c. The period for examination and determination of the correct amount of tax to be reported and due under this chapter is unlimited in the case of failure to file a return or the filing of a false or fraudulent return or affidavit.

Sec. 5. Section 565B.7, subsection 3, Code 2005, is amended to read as follows:

3. If ~~no~~ a custodian has not been nominated under section 565B.3, or all persons so nominated as custodian die before the transfer or are unable, decline, or are ineligible to serve, a transfer under this section may be made to an adult member of the minor's family or to a trust company unless the property exceeds ~~ten~~ twenty-five thousand dollars in value.

Sec. 6. **RETROACTIVE APPLICABILITY DATE.** The sections of this Act amending section 450.22, 450.53, and 450.58 apply retroactively to July 1, 2004, for estates of decedents dying on or after that date.

Approved March 21, 2005

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## CHAPTER 15

### REGULATION OF AMPHETAMINE AND METHAMPHETAMINE PRECURSORS

*S.F. 169*

**AN ACT** relating to the regulation of substances which are precursors to amphetamine and methamphetamine and providing a penalty and effective dates.

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

Section 1. Section 124.212, subsection 4, Code 2005, is amended by striking the subsection and inserting in lieu thereof the following:

4. **PRECURSORS TO AMPHETAMINE AND METHAMPHETAMINE.** Unless specifically excepted in paragraph "d" or "e" or listed in another schedule, any material, compound, mixture, or preparation which contains any quantity of the following precursors to amphetamine or methamphetamine, including their salts, optical isomers, and salts of their optical isomers:

- a. Ephedrine.
- b. Phenylpropanolamine.
- c. Pseudoephedrine.<sup>1</sup> A person shall not purchase more than seven thousand five hundred milligrams of pseudoephedrine, either separately or collectively, within a thirty-day period from a pharmacy, unless the person has a prescription for a pseudoephedrine product in excess of that quantity.
- d. Any product that contains three hundred sixty milligrams or less of pseudoephedrine, its salts, optical isomers, and salts of its optical isomers, which is in liquid, liquid capsule, or liquid-filled gel capsule form, is excepted from this schedule and may be warehoused, distributed, and sold over the counter pursuant to section 126.23A.
- e. A pseudoephedrine product warehoused by a distributor located in this state which is warehoused for export to a retailer outside this state is excepted from this schedule. A distributor warehousing and exporting a pseudoephedrine product shall register with the board and comply with any rules adopted by the board and relating to the diversion of pseudoephedrine products from legitimate commerce.

Sec. 2. **NEW SECTION.** 124.213 **PHARMACY PSEUDOEPHEDRINE SALE RESTRICTION — PENALTY.**

A person who purchases more than seven thousand five hundred milligrams of pseudo-

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<sup>1</sup> See chapter 179, §56 herein