

CHAPTER 185**TAXATION — INDIVIDUAL INCOME WITHHOLDING —
LOAN AGENCIES TAX***H.F. 904*

AN ACT relating to withholding tax and the repeal of the loan agencies tax.

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

Section 1. Section 331.401, subsection 1, paragraph k, Code 2007, is amended to read as follows:

k. Levy taxes as certified to it by tax-certifying bodies in the county, in accordance with the statutes authorizing the levies and in accordance with chapter 24 and sections 444.1 to 444.8, and levy taxes as required in chapters ~~430A~~, 433, 434, 437, and 438.

Sec. 2. Section 331.427, subsection 1, unnumbered paragraph 1, Code 2007, is amended to read as follows:

Except as otherwise provided by state law, county revenues from taxes and other sources for general county services shall be credited to the general fund of the county, including revenues received under sections 9I.11, 101A.3, 101A.7, 123.36, 123.143, 142B.6, 176A.8, 321.105, 321.152, 321G.7, 321I.8, section 331.554, subsection 6, sections 341A.20, 364.3, 368.21, 423A.7, 428A.8, ~~430A.3~~, 433.15, 434.19, 445.57, 453A.35, 458A.21, 483A.12, 533.24, 556B.1, 583.6, 602.8108, 904.908, and 906.17, and the following:

Sec. 3. Section 422.16, subsection 1, unnumbered paragraph 1, Code 2007, is amended to read as follows:

Every withholding agent and every employer as defined in this chapter and further defined in the Internal Revenue Code, with respect to income tax collected at source, making payment of wages to a nonresident employee working in Iowa, or to a resident employee, shall deduct and withhold from the wages an amount which will approximate the employee's annual tax liability on a calendar year basis, calculated on the basis of tables to be prepared by the department and schedules or percentage rates, based on the wages, to be prescribed by the department. Every employee or other person shall declare to the employer or withholding agent the number of the employee's or other person's personal exemptions and dependency exemptions or credits to be used in applying the tables and schedules or percentage rates. However, no greater number of personal or dependency exemptions or credits may be declared by the employee or other person than the number to which the employee or other person is entitled except as allowed under ~~section~~ sections 3402(m)(1) and 3402(m)(3) of the Internal Revenue Code and as allowed for the child and dependent care credit provided in section 422.12C. The claiming of exemptions or credits in excess of entitlement is a serious misdemeanor.

Sec. 4. Section 441.73, subsection 1, Code 2007, is amended to read as follows:

1. A litigation expense fund is created in the state treasury. The litigation expense fund shall be used for the payment of litigation expenses incurred by the state to defend property valuations established by the director of revenue pursuant to section 428.24 and chapters ~~430A~~, 433, 434, 437, 437A, and 438, and for the payment of litigation expenses incurred by the state to defend the imposition of replacement taxes and statewide property taxes under chapter 437A.

Sec. 5. Section 445.3, unnumbered paragraph 2, Code 2007, is amended to read as follows:

The commencement of actions for ad valorem taxes authorized under this section shall not begin until the issuance of a tax sale certificate under the requirements of section 446.19. The commencement of actions for all other taxes authorized under this section shall not begin until ten days after the publication of tax sale under the requirements of section 446.9, subsection 2. This paragraph does not apply to the collection of ad valorem taxes under section 445.32,

~~and grain handling taxes under section 428.35, and moneys and credits taxes under chapter 430A.~~

Sec. 6. Chapter 430A, Code 2007, is repealed.

Approved May 24, 2007

CHAPTER 186

TAXES, TAX POLICY, AND ADMINISTRATION

H.F. 923

AN ACT relating to the policy and technical administration of the tax and related laws by the department of revenue, including administration of income, sales, use, cigarette, and tobacco taxes, providing an effective date, and providing retroactive applicability date provisions.

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

DIVISION I TAX ADMINISTRATION

Section 1. Section 15E.44, subsection 1, Code 2007, is amended to read as follows:

1. In order for an equity investment to qualify for a tax credit, the business in which the equity investment is made shall, within one hundred twenty days of the date of the first investment, notify the board of the names, addresses, ~~taxpayer identification numbers~~, shares issued, consideration paid for the shares, and the amount of any tax credits, of all shareholders who may initially qualify for the tax credits, and the earliest year in which the tax credits may be redeemed. The list of shareholders who may qualify for the tax credits shall be amended as new equity investments are sold or as any information on the list shall change.

Sec. 2. Section 15E.45, subsection 3, paragraph a, subparagraph (1), Code 2007, is amended to read as follows:

(1) The names, addresses, ~~taxpayer identification numbers~~, equity interests issued, consideration paid for the interests, and the amount of any tax credits.

Sec. 3. Section 331.434, subsection 1, Code 2007, is amended to read as follows:

1. The budget shall show the amount required for each class of proposed expenditures, a comparison of the amounts proposed to be expended with the amounts expended for like purposes for the two preceding years, the revenues from sources other than property taxation, and the amount to be raised by property taxation, in the detail and form prescribed by the director of the department of management. For each county that has established an urban renewal area, the budget shall include estimated and actual tax increment financing revenues and all estimated and actual expenditures of the revenues, proceeds from debt and all estimated and actual expenditures of the debt proceeds, and identification of any entity receiving a direct payment of taxes funded by tax increment financing revenues and shall include the total amount of loans, advances, indebtedness, or bonds outstanding at the close of the most recently ended fiscal year, which qualify for payment from the special fund created in section 403.19, including interest negotiated on such loans, advances, indebtedness, or bonds. For purposes