

Senate File 2033 - Introduced

SENATE FILE 2033

BY KETTERING

A BILL FOR

1 An Act providing for a partial allocation of financial
2 institution franchise tax revenue to cities and counties,
3 making an appropriation, and providing effective date and
4 retroactive applicability provisions.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. 422.65 Allocation of revenue.

2 1. Of the moneys received from the franchise tax and
3 credited to the general fund of the state, an amount equivalent
4 to thirty percent is appropriated from the general fund of the
5 state to the department of revenue and shall be allocated and
6 paid as follows:

7 a. Sixty percent to the general fund of the city from which
8 the tax is collected.

9 b. Forty percent to the general fund of the county from
10 which the tax is collected.

11 2. If the financial institution maintains one or more
12 offices for the transaction of business, other than its
13 principal office, a portion of its franchise tax shall be
14 allocated to each office based upon a reasonable measure of
15 the business activity of each office. The director shall
16 prescribe, for each type of financial institution, a method
17 of measuring the business activity of each office. Financial
18 institutions shall furnish all necessary information for this
19 purpose at the request of the director.

20 3. The amounts appropriated shall be paid quarterly on
21 warrants by the director, as allocated.

22 Sec. 2. EFFECTIVE UPON ENACTMENT. This Act, being deemed of
23 immediate importance, takes effect upon enactment.

24 Sec. 3. RETROACTIVE APPLICABILITY. This Act applies
25 retroactively to January 1, 2012.

26 EXPLANATION

27 This bill provides for a partial allocation of revenue
28 derived from the franchise tax imposed on financial
29 institutions in division V of Code chapter 422. The bill
30 specifies that of the moneys received from the franchise tax
31 and credited to the general fund, an amount equivalent to 30
32 percent shall be appropriated to the department of revenue
33 and allocated to cities and counties. The bill provides that
34 60 percent of this amount shall be allocated and paid to the
35 general fund of the city from which the tax is collected, and

S.F. 2033

1 that 40 percent shall be allocated and paid to the general fund
2 of the county from which the tax is collected.

3 The bill takes effect upon enactment and is retroactively
4 applicable to January 1, 2012.