

Senate Study Bill 1243 - Introduced

SENATE/HOUSE FILE _____
BY (PROPOSED DEPARTMENT OF
REVENUE BILL)

A BILL FOR

1 An Act relating to the administration of the tax and related
2 laws of the department of revenue, including administration
3 of income taxes, sales and use and excise taxes, an
4 environmental protection charge, and property taxes.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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DIVISION I
INCOME TAXES

Section 1. Section 422.25, subsection 1, paragraph b, Code 2013, is amended to read as follows:

b. The period for examination and determination of the correct amount of tax is unlimited in the case of a false or fraudulent return made with the intent to evade tax or in the case of a failure to file a return. In lieu of the period of limitation for any prior year for which an overpayment of tax or an elimination or reduction of an underpayment of tax due for that prior year results from the carryback to that prior year of a net operating loss or net capital loss, the period is the period of limitation for the taxable year of the net operating loss or net capital loss which results in the carryback. If the tax found due is greater than the amount paid, the department shall compute the amount due, together with interest and penalties as provided in subsection 2, and shall mail a notice of assessment to the taxpayer and, if applicable, to the taxpayer's authorized representative of the total, which shall be computed as a sum certain ~~if paid on or before, with interest computed to~~ the last day of the month in which the notice is dated, ~~or on or before the last day of the following month if the notice is dated after the twentieth day of any month. The notice shall also inform the taxpayer of the additional interest and penalty which will be added to the total due if not paid on or before the last day of the applicable month.~~

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DIVISION II
SALES TAXES

Sec. 2. Section 423.37, subsection 2, Code 2013, is amended to read as follows:

2. If a return required by this subchapter is not filed, or if a return when filed is incorrect or insufficient ~~and the maker fails to file a corrected or sufficient return within twenty days after the same is required by notice from~~

1 ~~the department~~, the department shall determine the amount of
2 tax due from information as the department may be able to
3 obtain and, if necessary, may estimate the tax on the basis of
4 external indices, such as number of employees of the person
5 concerned, rentals paid by the person, stock on hand, or other
6 factors. The determination may be made using any generally
7 recognized valid and reliable sampling technique, whether or
8 not the person being audited has complete records, as mutually
9 agreed upon by the department and the taxpayer. The department
10 shall give notice of the determination to the person liable
11 for the tax. The determination shall fix the tax unless the
12 person against whom it is assessed shall, within sixty days
13 after the giving of notice of the determination, apply to the
14 director for a hearing or unless the taxpayer contests the
15 determination by paying the tax, interest, and penalty and
16 timely filing a claim for refund. At the hearing, evidence may
17 be offered to support the determination or to prove that it is
18 incorrect. After the hearing the director shall give notice of
19 the decision to the person liable for the tax.

20 DIVISION III

21 ENVIRONMENTAL PROTECTION CHARGE

22 Sec. 3. Section 424.10, subsection 2, paragraph a, Code
23 2013, is amended to read as follows:

24 a. If a return required by this chapter is not filed, or
25 if a return when filed is incorrect or insufficient ~~and the~~
26 ~~maker fails to file a corrected or sufficient return within~~
27 ~~twenty days after the return is required by notice from the~~
28 ~~department~~, the department shall determine the amount of charge
29 due from information as the department may be able to obtain
30 and, if necessary, may estimate the charge on the basis of
31 external indices or factors. The department shall give notice
32 of the determination to the person liable for the charge. The
33 determination shall fix the charge unless the person against
34 whom it is assessed shall, within sixty days after the date
35 of the notice of the determination, apply to the director for

1 a hearing or unless the person against whom it is assessed
2 contests the determination by paying the charge, interest, and
3 penalty and timely filing a claim for refund. At the hearing
4 evidence may be offered to support the determination or to
5 prove that it is incorrect. After the hearing the director
6 shall give notice of the decision to the person liable for the
7 charge.

8 DIVISION IV
9 PROPERTY TAX

10 Sec. 4. Section 421.17, subsection 2, Code 2013, is amended
11 by adding the following new paragraph:

12 NEW PARAGRAPH. *d.* To facilitate uniformity and equalization
13 of assessments throughout the state of Iowa and to facilitate
14 transfers of funds to local governments, the director may
15 use geographic information system technology and may require
16 assessing authorities and local governments to provide
17 information to the department electronically using electronic
18 geographic information system file formats.

19 Sec. 5. Section 441.5, subsection 1, Code 2013, is amended
20 to read as follows:

21 1. For the purpose of examining and certifying candidates
22 for the positions of assessor and deputy assessor, the
23 director of revenue shall prepare ~~and administer a written~~
24 an examination and provide for an examination process. ~~The~~
25 ~~examinations shall be administered twice each year in the city~~
26 ~~of Des Moines. Notification of the time, place, and date~~
27 ~~of the examinations shall be mailed to each city and county~~
28 ~~assessor, county auditor and chairperson of each city and~~
29 ~~county conference board~~ The director shall approve one or more
30 examination locations and shall make a list of the approved
31 locations available to applicants. Each applicant shall select
32 an examination location from the list of approved locations.
33 The director shall notify applicants of the date and time of
34 the examination at least thirty days prior to the date of the
35 examination.

1 Division III relates to the environmental protection charge
2 on petroleum diminution.

3 The division strikes language in Code section 422.10 to
4 eliminate the requirement that the department send a notice to
5 filers of environmental protection charge returns if the return
6 is either incorrect or insufficient. The department would be
7 authorized to determine the amount of tax due and send a notice
8 of assessment to the person liable for the tax.

9 Division IV relates to property taxes.

10 The division amends the powers and duties of the director
11 of revenue in Code section 421.17 to allow the director to use
12 geographic information system (GIS) technology to facilitate
13 uniformity and equalization of assessments and to facilitate
14 transfers of funds to local governments. The director may also
15 require assessing authorities and local governments to provide
16 information to the department electronically using GIS file
17 formats.

18 The division amends the procedures related to the
19 examination in Code section 441.5 for assessors and deputy
20 assessors by removing requirements that the director of revenue
21 administer a written examination biannually in the city of Des
22 Moines, that notification of the time and place of examinations
23 be mailed 30 days in advance to each city and county assessor,
24 county auditor, and chairperson of each city and county
25 conference board, and that each applicant be notified in
26 writing of their examination score. The amended language would
27 require that the director prepare an examination and provide
28 for an examination process, approve one or more examination
29 locations and make a list of the approved locations available
30 to applicants, notify applicants 30 days in advance of the
31 date and time of their examination, and notify applicants of
32 their examination score. Applicants would be able to select
33 an examination location from the list of approved locations
34 provided by the director.