



13 (d) The words “foreign corporation” mean any  
14 corporation other than a “domestic corporation”.

15 (e) The word “taxpayer” includes any individual,  
16 person, corporation or fiduciary whose income is in whole  
17 or in part subject to the tax imposed by this act.

18 (f) The term “Tax Year” or “Taxable Year” means  
19 either the calendar year or the taxpayer’s fiscal year  
20 when permission is obtained from the State Board of  
21 Assessment and Review to use same as the tax period in  
22 lieu of the calendar year.

23 (g) The term “Gross Income” means the aggregate  
24 sum in value, or its equivalent, passing in any trans-  
25 action of business, as compensation for personal service,  
26 and from trade, business, commerce, sales and the value  
27 proceeding or accruing from the sale of tangible prop-  
28 erty, real or personal, or service, or both, and all  
29 receipts, actual or accrued, by reason of the invest-  
30 ment of capital of the business engaged in, including  
31 interest, discounts, rentals, royalties, dividends, fees,  
32 wages, salaries, commissions or other emoluments, how-  
33 ever designated, without any deduction on account of  
34 the cost of property sold, the cost of materials used,  
35 labor costs, interest or discount paid, or any other  
36 expense whatsoever; and, without any deduction on  
37 account of losses; provided, however, that when credit  
38 is extended for the whole, or any part of the consideration

39 proceedings from any business transaction, such credit  
40 receivable shall not be deemed to constitute gross  
41 receipts or gross income until collected. Provided,  
42 further, that upon the sale of any property or commod-  
43 ity, delivered out of the state, the freight or trans-  
44 portation cost, actually paid thereon, shall not be  
45 deemed gross income. Provided, further, that cash  
46 discounts, allowed and taken on sales, shall not be  
47 included as gross income; and further provided, that  
48 goods, wares or merchandising or the value thereof,  
49 returned by customers when the sale price is refunded,  
50 either in cash or credit, shall not be deemed included  
51 in gross receipts or income. Interest accruing after  
52 this act becomes effective and received upon any indebt-  
53 edness, loan or deposit of money, security or investment,  
54 and discounts charged, when collected, shall constitute  
55 gross receipts. The payment of any obligation for  
56 borrowed money, whether such obligation be evidenced  
57 by note, bond, or other instrument, or not, and the with-  
58 drawal of deposits, shall not, as to the principal of  
59 such obligation, constitute gross receipts or income.  
60 Gasoline, cigarette, and other special taxes, imposed  
61 by the laws of this state, shall remain in full force  
62 and effect, but the amount of such taxes paid by the  
63 taxpayer shall not be deemed gross income; the receipt  
64 of money or property by assignment for the benefit of

65 creditors or as trustees upon the creation of a trust,  
66 or the pledge of property for security, shall not be  
67 deemed gross income. The receipts of capital by a cor-  
68 poration, co-partnership, firm or joint adventure, for  
69 sale of stock in such corporation, co-partnership, firm  
70 or joint adventure, or contributions to capital by the  
71 members of any other organizations, shall not be deemed  
72 gross income, but any sums received in excess of the  
73 amount of such capital shall be taxable as gross income.  
74 Proceeds accruing or proceeding from subsequent trans-  
75 actions in the stock of such corporations or organ-  
76 izations, or in the interests of shares of the members  
77 of any organization shall be taxable.

78 (h) The term “wholesale” shall include any person  
79 or corporation doing a regularly organized wholesale  
80 business known to the trade as such, selling only to  
81 registered retail merchants or jobbers, and also, persons  
82 engaged in acquiring and assembling by purchase from  
83 others, commodities of trade, commerce and production  
84 within the state, for the purpose of resale and selling  
85 and marketing or shipping the same in bulk; but such terms  
86 shall be applied only to such activities as are wholesale  
87 in their character as such term is ordinarily used and  
88 understood.

89 (i) The term “Manufacturer” shall mean persons  
90 or corporations engaging, or continuing, within the

91 state in the business of manufacturing, compounding,  
92 processing, producing, or preparing for sale, profit  
93 or use, either as a finished or partly finished product  
94 any commodity, the production of which is calculated  
95 for sale at wholesale, or for further proceeding and  
96 manufacture.

97 (j) The term “includes” and “including”, when  
98 used in a definition contained herein, shall not be  
99 deemed to exclude other things otherwise within the  
100 meaning of the term defined.

101 (k) The term “Board” shall mean the Iowa State  
102 Board of Assessment and Review.

103 (1) The term “Treasurer” shall mean the treasurers  
104 of the various counties of the state.

1 Sec. 2. Rates. That from and after the first  
2 day of January, 1934, there is hereby annually levied  
3 upon every person, corporation, or combination acting  
4 as a unit, located in or transacting business in the  
5 State of Iowa, or receiving a gross income, as defined  
6 in this act, a tax with respect to his or its entire  
7 gross income, as defined herein, at the rates herein-  
8 after specified, such tax being hereby levied for each  
9 taxable year at such specified rate upon and with respect  
10 to the entire gross income, as herein defined, for the  
11 purposes of taxation, except as herein provided, from  
12 all property owned and from every business, trade,

13 profession or occupation carried on in this state by  
14 persons not residents of this state. But, a non-resident  
15 taxpayer receiving income from labor performed, business  
16 done, or property located in this state, and income from  
17 labor performed, business done, or property located  
18 outside of this state, shall be taxable only upon the  
19 amount of income received by such taxpayer from labor  
20 performed, business done, or property located within this  
21 state. The remainder of the income received by him  
22 shall be deemed non-taxable by this state. The taxes  
23 levied by this section shall be assessed, collected  
24 and paid at the following specified rates, to-wit:

25 (a) Upon every person and corporation engaging  
26 or continuing within this state in the business of  
27 manufacturing, mining, wholesaling, jobbing, farming  
28 and livestock raising, processing, compounding, or  
29 preparing for sale, profit or use, any commodity, the  
30 amount of such tax to be equal to the value of the  
31 articles manufactured, processed, compounded or prepared  
32 for sale, as shown by the gross proceeds derived from  
33 the sale thereof by the manufacturer, wholesaler, jobber,  
34 miner or farmer, except as hereinafter provided, multi-  
35 plied by a rate of one-fourth of one per cent. The  
36 measure of this tax is the value of the entire product  
37 prepared for sale, profit or use in this state, regard-  
38 less of the place of sale or the fact that deliveries

39 may be made to points outside of the state.

40 (b) Upon every person and corporation located  
41 in, or engaging or continuing in any occupation, trade,  
42 profession or calling where the gross income is  
43 represented by a compensation in the form of wages or  
44 salaries the amount of the tax levied and imposed by  
45 this act shall be equal to the gross income of such  
46 person multiplied by a rate of one-half of one per  
47 cent on such income up to and including one thousand  
48 dollars (\$1,000) ; on all amounts in excess of one  
49 thousand dollars (\$1,000) up to and including two  
50 thousand dollars (\$2,000) one per cent ; on all amounts  
51 above two thousand dollars (\$2,000) up to and including  
52 three thousand dollars (\$3,000) two per cent ; on all  
53 amounts above three thousand dollars (\$3,000) up to  
54 and including four thousand dollars (\$4,000) three  
55 per cent ; on all amount above four thousand dollars  
56 (\$4,000) up to and including five thousand dollars  
57 (\$5,000) four per cent ; on all amounts in excess of  
58 five thousand dollars (\$5,000) five per cent.

59 (c) Upon every person or corporation located  
60 in or engaged in or continuing in any business where  
61 the gross income is represented by compensation in the  
62 form of fees, commissions, interest and dividends  
63 (including stock dividends) one per cent on all amounts  
64 up to and including two thousand five hundred dollars

65 (\$2,500) ; two per cent on all amounts above two thousand  
66 five hundred dollars (\$2,500) up to and including five  
67 thousand dollars (\$5,000) ; four per cent on all amounts  
68 above five thousand dollars (\$5,000).

69 (d) Upon every person or corporation engaging  
70 in or continuing in any trade or business the gross  
71 income from which is represented by rents, royalties  
72 or discounts, one per cent upon the entire gross income.

73 (e) Any person or corporation engaged in or  
74 continuing in any business or place of amusement in-  
75 cluding ball parks, skating rinks, pool halls, theatres,  
76 talking pictures, boxing matches and all others of  
77 similar character, five per cent upon the gross income  
78 therefrom.

79 (f) Upon any person or corporation engaging  
80 or continuing in the business of transportation of  
81 persons or goods or upon the business of transmitting  
82 communications (including telephone, telegraph) and  
83 upon all other public utilities (including the furnishing  
84 of heat, power, light and similar service) one per cent  
85 upon the entire gross income from such business.

86 (g) Upon any person or corporation engaging  
87 or continuing in the business of selling goods at retail  
88 where such sale is intended or expected to be the sale  
89 to the ultimate consumer or where such goods are not  
90 intended for resale except as otherwise specifically

91 provided, one per cent upon the entire gross income  
92 therefrom.

93 (h) Upon every person, located in, or engaging  
94 or continuing in any business, trade, profession or  
95 occupation within this state other than those businesses  
96 included in the seven preceding subdivisions of this  
97 section, the amount of the tax levied and imposed by  
98 this act shall be equal to the gross income of such  
99 person multiplied by a rate of one per cent, excepting  
100 that the distributed share of the income of a co-  
101 partnership, firm or joint adventure, upon which the  
102 tax has been paid, coming to the individual member of  
103 such organization shall be taxable only at a rate which  
104 shall be equal to the difference between the rate of  
105 tax paid by such co-partnership, firm or joint adventure  
106 and the rate of one per cent.

107 If any person or corporation liable for any tax  
108 under the subdivisions (a) and (b) and (c) and (d)  
109 and (e) and (f) and (g) and (h) of this section shall  
110 ship or transport his products or any part thereof out  
111 of the state without making sale of such products, the  
112 value of the products or articles in the condition or  
113 form in which they existed when transported out of the  
114 state shall be the basis for the determination of the  
115 amount that shall be reflected into the gross income and  
116 with other income be subject to the tax imposed by this

117 act.

118 The Board shall prescribe equitable and uniform  
119 rules for the full interpretation of the requirements  
120 of this section and this act in ascertaining values,  
121 and determining the proper classification of taxpayers.  
122 Such rules shall prescribe the conditions under which  
123 prepaid transportation charges upon shipments of products  
124 for sale may be deducted from the sale value of such  
125 products.

1 Sec. 3. Exemptions. There are, however,  
2 exempted from the provisions of this act:

3 (a) Insurance companies which under Chapter  
4 335, Code, 1931, now pay to the State of Iowa taxes  
5 upon the basis of gross premium income.

6 (b) Assessment Life Insurance Companies  
7 organized under Chapter 400 of the Code of 1931.

8 (c) Farmers or other mutual hail, cyclone,  
9 casualty, fire or other insurance companies or associa-  
10 tions including inter-insurers and reciprocal under-  
11 writers, the income of which is used or held for the  
12 purpose of paying losses or expense.

13 (d) Charitable, benevolent, religious and  
14 educational institutions not conducted for pecuniary  
15 profit.

16 (e) Libraries, art galleries, cemeteries and  
17 fraternal organizations not conducted for profit.

18 (f) Cooperative organizations not conducted  
19 for the profit of the organization, where the entire  
20 gross income from its transactions, not used for the  
21 payment of its expenses or reserved for contingent  
22 costs or losses or reserved in compliance with Iowa  
23 statutory requirements for cooperative associations,  
24 accrues to its members on the basis of their patronage.

1 Sec. 4. Exemptions. The term "gross income"  
2 does not include the following items, which shall be  
3 exempt from taxation under this act:

4 (a) The proceeds of life insurance policies  
5 and contracts paid upon the death of the insured or  
6 policy loans and cash surrenders made.

7 (b) The amount received by the insured as a  
8 return of premium or premiums paid by him under life,  
9 endowment or annuity insurance contracts, either during  
10 the term or at the maturity of term mentioned in the  
11 contract, or at the surrender of the contract.

12 (c) The value of property acquired by gift,  
13 bequest, devise or inheritance received during the year,  
14 but the income received from such gifts, bequests,  
15 devises and inheritances shall be assessed under  
16 the provisions of this chapter.

17 (d) Any amount received through accident or  
18 health insurance or under workman's compensation act  
19 as compensation for personal injuries or sickness,

20 and the amount of any damages received, whether by  
21 suit or agreement, on account of such injuries or sick-  
22 ness.

23 (e) Interest upon obligations of the United  
24 States or of this state, and interest upon securities  
25 issued under the provisions of Federal law, where such  
26 interest is exempted from taxation by the laws of the  
27 United States or of this state.

28 (f) Salaries, wages and other compensation  
29 received from the United States by officers or employees  
30 thereof, and pensions and compensations received from  
31 the United States, where the same is specifically  
32 exempted from taxation by law.

1 Sec. 5. Payment—Installments. The taxes  
2 levied hereunder shall be payable in quarterly  
3 installments on or before the expiration of thirty  
4 days from the end of the quarter in which the tax  
5 accrues. The taxpayer shall, within thirty days  
6 from the expiration of each quarter, make out an estimate  
7 of the tax for which he is liable for such quarter,  
8 and mail the same together with a remittance in the  
9 form required by Section 6 of this act, for the amount  
10 of the tax, to the office of the county treasurer.  
11 Provided, however, that where the tax any taxpayer  
12 is liable for under this act shall exceed an average  
13 of ten dollars (\$10.00) per month, such taxpayer

14 shall be permitted to make monthly payments, and the  
15 board may, in their discretion, where the tax liability  
16 of the taxpayer is in excess of the monthly average  
17 of ten dollars (\$10.00) require monthly estimates and  
18 payments.

1     Sec. 6. Registration. Every person and  
2 corporation who is made subject to the payment of a  
3 tax under the provisions of this act, shall on or  
4 before the first day of July of each year register as  
5 a taxpayer under this act, with the board, which  
6 registration may be made by letter giving the name,  
7 place of residence, occupation, business or profession  
8 of the person or corporation so registering and the name  
9 of the county in which the tax will be paid, which shall  
10 be either the county of the taxpayer's residence or his  
11 principle place of business. If such taxpayer is, at  
12 the time of his registration an employer of any other  
13 person or persons, he shall also give the number of  
14 persons in his employ and the aggregate amount of wage  
15 or salary paid to such employees monthly. Taxpayers  
16 shall also supply such other and further information  
17 in connection with such registration as may be  
18 reasonably necessary for the purpose of maintaining a  
19 roster of taxpayers. The board shall have authority  
20 to require every assessor to furnish to the county auditor  
21 a list of all persons in his assessing district subject

22 to tax under this law. The board shall, upon application,  
23 furnish necessary blanks for the filing of the information  
24 required by this section.

1     Sec. 7. Returns. (a) On or before thirty  
2 days after the end of the tax year each person and  
3 corporation liable for the payment of a tax under  
4 Section 2 of this act shall make a return showing the  
5 gross proceeds of sales, or gross income of business,  
6 and compute the amount of tax chargeable against  
7 him in accordance with the provisions of this act, and  
8 deduct the amount of quarterly payments, as hereinbefore  
9 provided, if any, and transmit with his report a  
10 remittance in the form provided for by Section 6 of  
11 this act, covering the residue of the tax chargeable  
12 against him, to the office of the county treasurer; such  
13 return shall be verified by the oath of the taxpayer,  
14 if made by an individual, or by the oath of the president,  
15 vice president, secretary or treasurer of a corporation  
16 if made on behalf of a corporation. If made on behalf  
17 of a partnership, or any other group or combination  
18 acting as a unit, any individual delegated by such  
19 co-partnership or any other group or combination  
20 acting as a unit shall make the oath on behalf of the  
21 taxpayer. If for any reason it is not practicable for  
22 the individual taxpayer to make the oath, the same may  
23 be made by any duly authorized agent. The board, for

24 good cause shown, may extend the time for making the  
25 annual return on the application of any taxpayer and  
26 grant such reasonable additional time within which to  
27 make the same as may, by them, be deemed advisable.

28 (b) Deduction at Source. Every employer is  
29 hereby required to make report showing the names and  
30 addresses of every person in his employ who receives  
31 a wage or salary and the amount of such wage or salary  
32 together with the frequency of payment. This report  
33 shall accompany the report of the employer as to his  
34 own income.

35 (c) The county treasurer shall within ten  
36 days after receipt thereof, forward all quarterly estimates  
37 and annual reports to the office of the board together  
38 with a statement of and a receipt for the amount of tax  
39 payments received. The board shall, promptly, audit all  
40 returns.

1 Sec. 8. Errors—Appeals. If the taxpayer shall  
2 make any error in computing the tax assessable against  
3 him, the board shall correct such error or re-assess  
4 the proper amount of taxes, and notify the taxpayer of  
5 its action by mailing to him promptly a copy of the  
6 corrected assessment, and any additional tax for which  
7 such taxpayer may be liable shall be paid to the county  
8 treasurer within ten days after the receipt of such a  
9 statement. If a refund is due the board may draw a

10 warrant against the treasurer of the county where the  
11 tax was paid for the amount due which warrant shall  
12 constitute the county treasurer receipt for the amount  
13 in his quarterly accounting with the board. Any  
14 person aggrieved by the decision of the board may appeal  
15 to the district court of the county wherein such tax-  
16 payer resides, or if a non-resident of this state, to  
17 the district court of the county, in which it has its  
18 principal place of business, upon filing a bond with  
19 sufficient penalties and one or more sureties to be  
20 approved by the clerk of courts of the county, con-  
21 ditioned that the appellant will prosecute his appeal  
22 without delay and pay all costs that he may be adjudged  
23 to pay in such court; such bond shall be executed to the  
24 state, and may be sued in the name of the state upon  
25 breach of any condition therein. Such appeal shall be  
26 taken within thirty days after the decision of the  
27 state board by serving written notice on the state  
28 board.

1 Sec. 9. Returns—Failure to Make. If any person  
2 fail or refuse to make a return, the State Board of Assess-  
3 ment and Review shall proceed, in such manner as may seem  
4 best, to obtain facts and information on which to base the  
5 assessment of tax herein prescribed; and to this end they  
6 may, by themselves or their duly appointed agent, make ex-  
7 amination of the books, records and papers of any such

8 person and may take the evidence, on oath of any person who  
9 they may believe shall be in possession of facts or in-  
10 formation pertinent to the subject of inquiry, which oath,  
11 he or the agent so appointed by him, may administer. As  
12 soon as possible after procuring such information as they  
13 may be able to obtain with respect to any person failing or  
14 refusing to make a return, the State Board of Assessment  
15 and Review shall proceed to assess the tax against such  
16 person, and shall notify him of the amount thereof, and their  
17 act shall be final as to any person who refused to make a  
18 return.

1 Sec. 10. Tax a Lien. The tax imposed by this act  
2 shall be a lien upon the property of any person subject to  
3 the provisions hereof who shall sell out his business or  
4 stock of goods, or shall quit business, and such person  
5 shall be required to make the return provided for under  
6 Section 7 within thirty days after the date he sold out his  
7 business or stock of goods, or quit business, and his suc-  
8 cessor in business shall be required to withhold sufficient  
9 of the purchase money to cover the amount of said taxes  
10 due and unpaid, until such time as the former owner shall  
11 produce a receipt from the State Board of Assessment and  
12 Review showing that the taxes have been paid. If the  
13 purchaser of a business or stock of goods shall fail to  
14 withhold purchase money as above provided and the taxes  
15 shall be due and unpaid after the thirty day period allow-

16 ed, he shall be personally liable for the payment of the  
17 taxes accrued and unpaid on account of the operation of the  
18 business by the former owner. Every person receiving the  
19 proceeds of sale at any public sale of personal property,  
20 either as clerk of such sale, auctioneer or public officer,  
21 shall deduct from the proceeds received from such sale, the  
22 amount of the taxes due under the provisions of this act,  
23 and forthwith remit the same to the County Treasurer, other-  
24 wise he shall be personally liable therefor.

1 Sec. 11. Faulty Assessment—Procedure. If any  
2 person having made the return and paid the tax as provided  
3 by this act, feels aggrieved by the assessment so made up-  
4 on him for any year by the State Board of Assessment and  
5 Review, he may apply to the State Board of Assessment and  
6 Review by petition, in writing, within thirty days after  
7 notice is mailed to him by the State Board of Assessment and  
8 Review, for a hearing and a correction of the amount of the  
9 tax so assessed upon him by the State Board of Assessment  
10 and Review, in which petition shall be set forth the reasons  
11 why such hearings should be granted and why the amount of  
12 such tax should be reduced. The State Board of Assessment  
13 and Review shall promptly consider such petition, and may  
14 grant such hearing or deny the same. If denied, the peti-  
15 tioner shall be forthwith notified thereof; if granted, the  
16 State Board of Assessment and Review shall notify the peti-  
17 tioner of the time and place fixed for such hearing. After

18 such hearing, the State Board of Assessment and Review may  
19 make such order in the matter as may appear to them just  
20 and lawful, and shall furnish a copy of such order to the  
21 petitioner. Any person improperly charged with any tax  
22 and required to pay the same, may recover the amount paid,  
23 together with interest, by paying the same under protest  
24 and by suit commenced within thirty days after such payment  
25 or order of the Board after a hearing or denying the same,  
26 against the State Board of Assessment and Review, and the  
27 district court of the county in which the taxpayer resides  
28 or is located shall have original jurisdiction of any  
29 action to recover any tax improperly collected. It shall  
30 be necessary for the taxpayer to protest against the pay-  
31 ment of the tax and to make demand to have the same refund-  
32 ed in order to maintain such suit. In any suit to recover  
33 taxes paid or to collect taxes, the court shall adjudge  
34 costs to such extent and in such manner as may be deemed  
35 equitable.

36 No injunction to restrain or delay the collection  
37 of any tax claimed to be due shall be issued by any court,  
38 but in all cases in which, for any reason it shall be claimed  
39 that any tax about to be collected is wrongful or illegal  
40 in whole or in part, the remedy, except as otherwise ex-  
41 pressly provided by this Act, shall be by payment under  
42 protest and action to recover, as provided in this section.

1 Sec. 12. Delinquency—Penalty. A tax due and un-

2 paid under this act shall constitute a debt due the state  
3 and may be collected by action in the proper court for judg-  
4 ment, or other appropriate judicial proceedings, which remedy  
5 shall be in addition to all other existing remedies, and  
6 upon the filing of a notice of lien with the County Recorder  
7 of the proper county, it shall constitute a lien upon all  
8 the property of the taxpayer and the same shall be collect-  
9 ed by distress and sale by the County Treasurer, as other  
10 taxes are collected, together with an additional five per  
11 cent of the amount of the tax, and the costs of collection,  
12 if paid within thirty days after the date it was due, and  
13 an additional two per cent of the amount of the tax for  
14 each succeeding thirty days elapsing before the tax shall  
15 have been paid; provided, however, that the additional two  
16 per cent penalty shall not be applied until a ten-day notice  
17 of delinquency shall have been sent to the taxpayer.

1     Sec. 13. Tax Year. The assesment of taxes herein  
2 made and the returns required therefor shall be for the  
3 year ending on the thirty-first day of December; provided,  
4 however, that if the taxpayer in transacting his business,  
5 keeps the books reflecting the same on a basis other than the  
6 calendar year, he may, with the assent of the State Board of  
7 Assessment and Review, make his annual returns and pay taxes  
8 for the year covering his accounting period, as shown by the  
9 method of keeping the books of his business.

1     Sec. 14. Privilege Tax. The tax imposed by this

2 Act shall be in addition to all other licenses and taxes  
3 levied by law as a condition precedent to engaging in any  
4 business taxable hereunder, except as in this act otherwise  
5 specifically provided.

6 All remittances of taxes and fees imposed by  
7 this Act shall be made to the County Treasurer, and all  
8 such remittances shall be made payable to him. The  
9 County Treasurer shall issue his receipts therefor to  
10 the taxpayer, and shall keep all such moneys received  
11 by him in a special fund to be known as the "State Tax  
12 Fund", to be distributed quarterly upon order of the Board  
13 as provided in Section 17 of this Act.

1 Sec. 15. False Return—Penalty. It shall be  
2 unlawful for any person to refuse to make the return  
3 provided to be made in Sections seven (7) and sixteen  
4 (16) of this Act; or to make any false or fraudulent  
5 return or false statement in any return, with intent  
6 to defraud the state or to evade the payment of the tax,  
7 or any part thereof, imposed by this Act; or for any  
8 person to aid or abet another in any attempt to evade  
9 the payment of the tax, or any part thereof, imposed by  
10 this Act; or for the president, vice-president, secretary  
11 or treasurer of any company to make or permit to be made  
12 for any company or association any false return, or any  
13 false statement in any return required in this Act, with  
14 the intent to evade the payment of any tax hereunder,

15 And any person violating any of the provisions of this  
16 section shall be guilty of a misdemeanor and on conviction  
17 thereof, shall be fined not more than one thousand dollars  
18 (\$1,000.00) or imprisoned not exceeding one year in the  
19 county jail or punished by both fine and imprisonment,  
20 at the discretion of the court, within the limita-  
21 tions aforesaid. In addition to the foregoing  
22 penalties, any person who shall knowingly swear to or  
23 verify any false or fraudulent return, or any return  
24 containing any false or fraudulent statement, with the  
25 intent aforesaid, shall be guilty of the offense of  
26 perjury and, on conviction thereof, shall be punished  
27 in the manner provided by law. Any company for which  
28 a false return or a return containing a false state-  
29 ment as aforesaid shall be punished by a fine of not more  
30 than one thousand dollars (\$1,000.00).

1 Sec. 16. Administration. The administration  
2 of this Act is vested in and shall be exercised by the  
3 Board who shall prescribe forms and reasonable rules  
4 of procedure in conformity with this Act for making  
5 of returns and for the ascertainment, assessment and  
6 collection of the taxes imposed hereunder; and the  
7 enforcement of any of the provisions of this Act in  
8 any of the courts of the state shall be under the  
9 jurisdiction of the Board, which may require the  
10 assistance of and act through the County Attorney of

11 any county, and may, with the assent of the Attorney  
12 General of the state, employ special counsel in any  
13 county to aid the County Attorney, the compensation  
14 of whom shall be fixed by and paid only upon the order  
15 of said Attorney General; but the County Attorney of  
16 any county shall receive no fees of compensation for  
17 services rendered in enforcing this Act in addition  
18 to the salary paid by the county to such officer.

19 The County Treasurer of each county of the  
20 state is hereby designated the representative of the  
21 Board in each county; additional clerical assistance  
22 required by him in carrying out the provisions of this  
23 act, or orders of the Board in compliance therewith,  
24 shall be paid out of funds provided for its enforce-  
25 ment and administration. The Board shall have power  
26 to require other county or state officers to furnish  
27 information or perform acts or duties to assist in the  
28 administration of this act, the nature of which is  
29 within the scope of their official duties.

30 There is hereby appropriated out of the revenue  
31 derived from this Act, not to exceed 3% of the revenue  
32 derived therefrom for the expenses incurred by the  
33 Board in carrying out of its provisions.

1 Sec. 17. Allocation. Out of the "State Tax"  
2 funds created by the revenues derived from this act  
3 and from other existing taxes, licenses and excises

4 now payable into such fund, or the general fund of the  
5 State, there shall be paid, the following items of  
6 state, county and public school expense.

7 (a) All items of general expense of the state  
8 government authorized and appropriated for by the  
9 General Assembly.

10 (b) Salaries of all county officers where the  
11 annual salary and employment is fixed by statute.

12 (c) All other county expenditures or appro-  
13 priations required by law where the amount and con-  
14 dition precedent to payment does not lie within the  
15 discretion of the Board of Supervisors.

16 (d) To the public school system all addi-  
17 tional revenue accruing to the "State Tax" funds of  
18 the various counties of the state by operation of this  
19 Act, except such amounts as may be set aside by the  
20 state as a reserve fund as hereinafter provided.

21 The State Board shall apportion to the several  
22 school corporations of the state the amount above spec-  
23 ified in the proportion that the total number of teacher  
24 units allotted to each school corporation bears to the  
25 total number of teacher units allotted to all the school  
26 corporations in the state.

27 In determining the credit for teacher units to  
28 which a school corporation is entitled the following  
29 method shall be used:

30 (1) Elementary schools shall be those schools  
31 or portions of schools affording instructions in grades  
32 one to eight inclusive, such schools employing but one  
33 teacher shall be considered a teacher unit except where  
34 the average daily attendance is less than eight, they  
35 shall be considered a fractional teacher unit in the  
36 proportion that the actual average daily attendance  
37 bears to fifteen. In elementary schools employing two  
38 or more teachers two teacher units shall be counted for  
39 the first thirty-five pupils in average daily attendance,  
40 and one additional teacher unit for each additional  
41 twenty-seven pupils or major fraction thereof in average  
42 daily attendance.

43 (2) High schools shall be those schools or  
44 portions of schools affording instruction in grades  
45 nine to twelve inclusive. In such schools a defined  
46 unit shall be given an allocation credit of one and  
47 one half teacher units. In a district having an  
48 average daily attendance of twenty-five or less, one  
49 unit for each teacher employed but not exceeding two  
50 units except when the average daily attendance is less  
51 than twelve they shall be considered a fractional unit  
52 in the proportion that the average daily attendance  
53 bears to twenty. In such schools with an average daily  
54 attendance of forty or less two units for the first  
55 twenty-five pupils in average daily attendance, and

56 one additional unit for each fifteen additional pupils  
57 in average daily attendance or major fraction thereof.  
58 In such schools having an average daily attendance of  
59 more than forty, three units for the first forty and  
60 one for each additional twenty-five or major fraction  
61 thereof.

62 (3) Where transportation is provided for  
63 pupils outside the limits of incorporated cities or  
64 towns a credit for teacher units shall be given on  
65 the same basis as elementary schools, for pupils  
66 residing outside such incorporations actually trans-  
67 ported. Any fractional teacher unit earned for trans-  
68 portation shall be given a full teacher unit credit.

69 (4) The allocation provided in subsections  
70 (a) (b) (c) and (d) of this section is based upon a  
71 minimum allocation of twenty million dollars (\$20,000,000)  
72 to the purpose of subsection (d). If in any year the  
73 revenue derived from this act shall be insufficient to  
74 meet the obligation created by these subsections (a) (b)  
75 (c) and (d) upon it, the amounts allocated to each purpose  
76 shall be in the proportion that the amount of yield bears  
77 to the amount actually expended in the previous year  
78 under subsection (a) (b) (c) and twenty million  
79 dollars (\$20,000,000) allocated under subsection  
80 (d) hereof. If the yield is in excess of such  
81 amounts the executive council may, by order, set

82 aside any portion or all of such excess in a  
83 reserve fund until such reserve fund shall amount  
84 to fifteen million dollars (\$15,000,000) which  
85 fund shall be used only for the purpose of  
86 meeting deficiencies in the obligations created  
87 by this act when revenues herefrom are insufficient  
88 to meet obligations hereon and then only in the  
89 proportions hereinbefore set forth. Any other  
90 surplus shall accrue to the benefit of subsection  
91 (d) hereof.

92 (5) Chapter 62 of the Laws of the Forty-  
93 fifth General Assembly is hereby amended by striking  
94 from line four (4) thereof the word "nine" and  
95 inserting in lieu thereof the word "five".

96 (6) In all other cases the amount of tuition  
97 charged shall not exceed fifty per centum of that  
98 otherwise allowed by law.

99 (e) At the end of each quarterly period.  
100 the board shall send to each county treasurer, a state-  
101 ment of the amounts in dollars due each school corpor-  
102 ation in the county as well as the amounts payable  
103 under subsections (b) and (c) hereof and the county  
104 treasurer shall by warrant payable to the treasurer  
105 of the various school corporations allocate to  
106 such corporations the amounts specified by the  
107 board. He shall also, by warrant drawn on such

108 fund, pay the amounts specified in subsections (b)  
109 and (c) of this section to the persons entitled to  
110 receive the same. To the general fund of the state  
111 or to such counties of the state as may have insufficient  
112 funds to meet the requirements of subsections (b) and  
113 (c) and (d) hereof shall be paid the balance of such  
114 funds upon order of the board determining the amount  
115 and to whom payable.

1 Sec. 18. Invalidation. If any clause, sentence,  
2 paragraph, or part of this act shall for any reason be  
3 adjudged by any court of competent jurisdiction to be  
4 invalid, such judgment shall not affect, impair, or  
5 invalidate the remainder of this act, but shall be  
6 confined in its operation to the clause, sentence,  
7 paragraph, or part thereof directly involved in the  
8 controversy in which such judgment shall have been  
9 rendered.

1 Sec. 19. Repeal. The tax levied by the  
2 provisions of this act shall not be in lieu of any  
3 state license, excise or other tax imposed or due  
4 under the provisions of any law now in force except  
5 as may be herein specifically provided.

6 All laws or parts of laws inconsistent with  
7 the provisions of this act are hereby repealed.

1 Sec. 20. Emergency Allocation. For the period  
2 of the year 1934 during which the provisions of this

3 act shall be in effect the revenues derived herefrom  
4 shall be allocated as provided in Section 17. From  
5 the second installment of property taxes collectible  
6 before October 1, 1934, the Treasurers of the various  
7 counties of the state shall deduct that portion of  
8 the second installment which is levied on behalf  
9 of the state. From the levies imposed by the county,  
10 he shall deduct an amount which would be raised by a  
11 levy of one third of one mill on the taxable value  
12 of the property and from the levies for the benefit  
13 of the various school corporations of the county, he  
14 shall deduct that proportion which the amount the  
15 Board has allocated to the school corporation bears  
16 to the total budget of such school corporation for the  
17 year for which such taxes were levied.

1 Sec. 21. Tax Limitation. The total millage  
2 levy of taxes on taxable property in any year, for and  
3 on behalf of any taxing district, for the support of  
4 the state, the support of the county and the support  
5 of the public schools shall not exceed ten (10) mills  
6 on the dollar of the assessed valuation of such property.

1 Sec. 22. The limitation imposed by the preceding  
2 section shall not be deemed to include the necessary  
3 levies to pay interest on and regularly retire the  
4 principal of bonds outstanding against the taxing district  
5 on the date of the taking effect of this act.

1     Sec. 23. Publication Clause. This act, being  
2     deemed of immediate importance, shall be in full force  
3     and effect after its passage and publication in the  
4     ....., a newspaper published  
5     at ....., Iowa, and in the  
6     ....., a newspaper published  
7     at ....., Iowa.

January 9, 1934. By HICKLIN, NELSON, TRIPP, HUSTED, WENNER,  
ELTHON, COYKENDALL, TOPPING, FISCH, STEVENS,  
BOOTH, BALDWIN, STANLEY, MOORE, HARRINGTON,  
(As Re-written).

## A BILL FOR

An Act to limit the amount of taxes assessed against property to provide for the raising of public revenue from other sources by imposing a tax or taxes upon the privilege of doing business in the State of Iowa, in accordance with certain specified classifications and to provide for the ascertainment, assessment, and collection of such taxes; to provide for the distribution and use of revenue derived under this act so as to provide a partial substitute for such property taxes; to regulate the revenue raised by public schools from tuition; to amend Chapter sixty-two (62) of the laws of the Forty-fifth General Assembly; to repeal all laws or parts of laws in conflict herewith, and to provide penalties for the violation of the provisions of this act.

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

1 Section 1. Definitions. This act to be known and  
2 cited as the "Property Tax Limitation and Relief Act of 1933".

3 Unless otherwise specifically provided when used in  
4 this act:

5 (a) The word "person" includes individuals, fiduciaries  
6 and partnerships.

7 (b) The word "corporation" includes joint stock companies,  
8 limited partnerships, and associations organized for  
9 pecuniary profit.

10 (c) The words "domestic corporation" mean any  
11 corporation organized under the laws of this state.

12 (d) The words "foreign corporation" mean any

13 corporation other than a “domestic corporation”.

14 (c) The word “taxpayer” means and includes every  
15 person, individual, firm, co-partnership, association,  
16 corporation, society, congregation, and/or body of  
17 persons howsoever associated, or organized, and/or  
18 fiduciary, who derives or receives any income  
19 from any and all business done or transacted in the State  
20 of Iowa, and any other individual who maintains a permanent  
21 place of abode within this state, or spends in the aggregate  
22 more than six months within the state, within any tax year,  
23 or maintains or occupies a permanent place of doing business  
24 in the State of Iowa.

25 (f) The term “Tax Year” or “Taxable Year” means either  
26 the calendar year or the taxpayer’s fiscal year when  
27 permission is obtained from the State Board of Assessment  
28 and Review to use same as the tax period in lieu of the  
29 calendar year.

30 (g) The term “Gross Income” means the aggregate sum  
31 in value, or its equivalent, passing in any transaction  
32 of business, as compensation for personal service, and  
33 from trade, business, commerce, sales and the value  
34 proceeding or accruing from the sale of tangible property,  
35 real or personal, or service, or both, and all receipts,  
36 actual or accrued, by reason of the investment of capital  
37 of the business engaged in, including interest, discounts,  
38 rentals, royalties, dividends, fees, wages, salaries,

39 commissions or other emoluments, however designated,  
40 without any deduction on account of the cost of property  
41 sold, the cost of materials used, labor costs, interest  
42 or discount paid, or any other expense whatsoever; and,  
43 without any deduction on account of losses; provided,  
44 however, that when credit is extended for the whole,  
45 or any part of the consideration proceedings from  
46 any business transaction, such credit receivable shall  
47 not be deemed to constitute gross receipts or gross  
48 income until collected. Provided, further, that upon  
49 the sale of any property or commodity, delivered out of  
50 the state, the freight or transportation cost, actually  
51 paid thereon, shall not be deemed gross income. Provided,  
52 further, that cash discounts, allowed and taken on sales,  
53 shall not be included as gross income; and further provided,  
54 that goods, wares or merchandising or the value thereof,  
55 returned by customers when the sale price is refunded,  
56 either in cash or credit, shall not be deemed included  
57 in gross receipts or income. Interest accruing after this  
58 act becomes effective and received upon any indebtedness,  
59 loan or deposit of money, security or investment, and  
60 discounts charged, when collected, shall constitute  
61 gross receipts. The payment of any obligation for  
62 borrowed money, whether such obligation be evidenced  
63 by note, bond, or other instrument, or not, and the with-  
64 drawal of deposits, shall not, as to the principal of

65 such obligation, constitute gross receipts or income.  
66 Gasoline, cigarette, and other special taxes, imposed  
67 by the laws of this state, shall remain in full force  
68 and effect, but the amount of such taxes paid by the  
69 taxpayer shall not be deemed gross income; the receipt  
70 of money or property by assignment for the benefit of  
71 creditors or as trustees upon the creation of a trust,  
72 or the pledge of property for security, shall not be  
73 deemed gross income. The receipts of capital by a cor-  
74 poration, co-partnership, firm or joint adventure, for  
75 sale of stock in such corporation, co-partnership, firm  
76 or joint adventure, or contributions to capital by the  
77 members of any other organizations, shall not be deemed  
78 gross income, but any sums received in excess of the  
79 amount of such capital shall be taxable as gross income.  
80 Proceeds accruing or proceeding from subsequent transactions  
81 in the stock of such corporation or organizations, or in  
82 the interests of shares of the members of any organization  
83 shall be taxable.

84 (h) For the purposes of this act, the term “business”  
85 shall mean any act or conduct from which compensation,  
86 profit or income is obtained.

87 (i) The term “manufacturer” shall be deemed to  
88 include any person, firm, or corporation, who purchases,  
89 receives, or holds personal property of any description  
90 for the purpose of adding to the value thereof by any

91 process of manufacturing, refining, purifying, combining  
92 of different materials, or by the packing of meats, with  
93 a view to selling the same for gain or profit.

94 (j) The term “includes” and “including”, when used  
95 in a definition contained herein, shall not be deemed to  
96 exclude other things otherwise within the meaning of the  
97 term defined.

98 (k) The term “Board” shall mean the Iowa State  
99 Board of Assessment and Review.

100 (1) The term “Treasurer” shall mean the treasurers  
101 of the various counties of the state.

1 Sec. 2. Levy and Rates. That from and after the  
2 taking effect of this act, there is hereby imposed upon  
3 each and every taxpayer within the meaning of this act,  
4 located in or transacting business in the State of Iowa,  
5 a tax upon the privilege of such taxpayer to do business,  
6 such tax being imposed at the rates and under the  
7 conditions hereinafter provided, in respect to all  
8 business done by such taxpayer, at the rates specified  
9 hereinafter for each and every business or class of  
10 business in which such taxpayer engages. But a  
11 non-resident taxpayer receiving income from labor  
12 performed, business done, or property located in this  
13 state, and income from labor performed, business done,  
14 or property located outside of this state, shall be  
15 taxable only upon the amount of income received by such

16 taxpayer from labor performed, business done, or property  
17 located within this state. The remainder of the income  
18 received by him shall be deemed non-taxable by this  
19 state. The taxes levied by this section shall be  
20 assessed, collected and paid at the following specified  
21 rates, to-wit:

22 (a) For the privilege of engaging or continuing  
23 within this state in the business of manufacturing, a  
24 tax measured by the value of the product manufactured  
25 during the tax year, such value to be the gross cost  
26 of the production in the form in which it is marketed  
27 by such manufacturer, multiplied by a rate of one-fourth  
28 of one per cent; provided that the amount of such tax  
29 imposed upon the value of food stuffs manufactured  
30 for human consumption and by-products of such  
31 manufacturing shall be one-eighth of one per cent.

32 (b) For the business of continuing or engaging  
33 in any occupation, trade, profession or calling where  
34 the gross income is represented by a compensation in  
35 the form of wages or salaries, the amount of the tax  
36 levied and imposed by this act shall be equal to the  
37 gross receipts from such business, multiplied by a  
38 rate of one-half of one per cent on such income, up to  
39 and including \$1,000.00; on all amounts in excess of  
40 \$1,000.00 up to and including \$2,000.00, by a rate of  
41 one per cent; on all amounts in excess of \$2,000.00

42 up to and including \$3,000.00, by a rate of two per cent ;  
43 on all amounts in excess of \$3,000.00 up to and including  
44 \$4,000.00, by a rate of three per cent ; on all amounts in  
45 excess of \$4,000.00 up to and including \$5,000.00, by a  
46 rate of four per cent ; on all amounts in excess of  
47 \$5,000.00, by a rate of five per cent.

48 (c) For the privilege of engaging or continuing in  
49 any business where the gross income is represented by  
50 compensation in the form of fees, commissions, interest  
51 or dividend, including stock dividends, the tax levied  
52 and imposed by this act shall be equal to the gross income  
53 received from such business, multiplied by a rate of  
54 one per cent on all amounts up to and including  
55 \$2,500.00 ; upon all amounts in excess of \$2,500.00 up  
56 to and including \$5,000.00, by a rate of two per cent ;  
57 upon all amounts in excess of \$5,000.00 up to and  
58 including \$7,500.00, by a rate of three per cent ;  
59 upon all amounts in excess of \$7,500.00, by a rate of  
60 four per cent. When any business referred to in this  
61 section is engaged in by a partnership, then for the  
62 purpose of taxation under this act, the gross receipts  
63 shall be deemed to be the gross receipts of the respective  
64 individual members of such firm, in proportion to their  
65 participation therein, and the tax shall be imposed upon  
66 such individual members of the partnership.

67 (d) For the privilege of engaging or continuing

68 in any business, the gross income from which is derived  
69 from rents, royalties or discounts, the tax shall be the  
70 gross receipts derived from such business, multiplied by  
71 a rate of one per cent.

72 (e) For the privilege of engaging or continuing in the  
73 amusement business, including ball games, skating rinks,  
74 pool halls, theatres, shows, athletic exhibitions or matches  
75 and similar transactions, the amount of such tax shall be  
76 an amount equal to the gross receipts received from such  
77 source multiplied by two per cent.

78 (f) For the privilege of engaging or continuing in the  
79 business of transportation of persons or property, as a  
80 common carrier, other than as a street railway, one per cent  
81 upon the entire gross income from such business, originating  
82 and terminating within the state.

83 (g) For the privilege of engaging or continuing in the  
84 business of transmitting messages or communications for  
85 public hire as a common carrier, the tax shall be an amount  
86 equal to the gross receipts received upon all such business  
87 originating and terminating within the state, multiplied  
88 by two per cent.

89 (h) For the privilege of engaging in, or continuing in  
90 the business of selling goods at retail through stores, agents,  
91 solicitors or otherwise, including the business of selling  
92 electrical energy, illuminating gas, water or heat, where  
93 such sale is intended as a sale to the ultimate consumer and

94 is not intended for processing or resale, the tax shall be  
95 computed by multiplying the gross receipts received or derived  
96 therefrom during the tax year, with the State of Iowa, by the  
97 following rates, to-wit:

98 1. That portion of the gross receipts not in excess of  
99 \$50,000.00, by one-half of one per cent.

100 2. That portion of the gross receipts in excess of \$50,000.00,  
101 and not in excess of \$100,000.00, by one per cent.

102 3. That portion of the gross receipts in excess of \$100,000.00,  
103 and not in excess of \$150,000.00, by one and one-half per cent.

104 4. That portion of the gross receipts in excess of  
105 \$150,000.00, by two per cent.

106 For the purposes of this sub-section, every person, firm,  
107 corporation, association, partnership or agency whatsoever  
108 operating in whole or in part any store, stores or places of  
109 sale or distribution in this state, for the purpose of selling  
110 at retail any tangible personal property, or electrical  
111 energy, illuminating gas, water or heat, to consumers or users  
112 thereof, shall be considered as a single unit for the  
113 collection of taxes under this act, and the rates as provided  
114 in this act shall be applied upon the entire volume of all  
115 sales made by any such retailer, through all retail  
116 establishments or places of business, under the management  
117 or control of such retailer. The State Board shall provide  
118 for joint returns from the retailer in all cases where more  
119 than one retail agency, store or establishment is under the

120 same general management, supervision, ownership or control.

121 (i) For the privilege of engaging or continuing in the  
122 business of farming or live stock raising, or other agricultural  
123 pursuits, the tax shall be an amount equal to the total  
124 value of the product or products of such business during  
125 the tax year at the time such product or products are marketed,  
126 multiplied by a rate of one-fourth of one per cent.

127 (j) For the privilege of engaging or continuing in the  
128 business or occupation of dealing in personal property  
129 (not including that class of business generally known and  
130 described as jobbers, wholesalers or retailers, but including  
131 dealers in livestock, grain, produce and securities) where,  
132 the board has found after due and proper investigation that,  
133 by established usage of the trade, quantities of such com-  
134 modity are purchased and sold upon a margin of profit of not  
135 to exceed three per cent of the purchase price, a tax measured  
136 by the gross receipts of such business multiplied by a rate  
137 of one-twentieth of one per cent.

138 (k) For engaging or continuing in the business of  
139 rendering general service of any character, the amount of  
140 such tax to be equal to the gross income received from  
141 such business, multiplied by a rate of one per cent.

142 (l) For engaging or continuing in the business of  
143 wholesaling and jobbing, the amount of such tax to be  
144 equal to the total gross income from all sales within the  
145 state of Iowa, multiplied by a rate of one-fourth of

146 one per cent.. No tax shall be imposed upon the  
147 wholesaling by any Iowa manufacturer, of articles or  
148 commodities produced by such manufacturer. The term  
149 “wholesaling” shall include all taxpayers doing a  
150 regularly organized wholesale business known to the  
151 trade as such, selling only to registered retail  
152 merchants or jobbers.

153 (m) For engaging or continuing in the business  
154 of mining, the amount of such tax to be equal to the  
155 total gross income from all sales within the State of  
156 Iowa, multiplied by a rate of one-fourth of one per cent.

157 (n) For the privilege of engaging or continuing  
158 in, or transacting any business within this state, other  
159 than those businesses included in the preceeding  
160 sub-divisions of this section, the amount of tax levied  
161 and imposed by this act, shall be equal to the gross  
162 receipts derived from such business, multiplied by a  
163 rate of one-half of one per cent.

164 (o) The Board shall prescribe equitable and  
165 uniform rules for the interpretation of this section  
166 and of this act, for the purpose of ascertaining values,  
167 and for the purpose of classifying taxpayers and  
168 businesses in the administration of this act.

1 Sec. 3. Exempted corporations and organizations.  
2 The following organizations and corporations shall be  
3 exempt from taxation under this act:

4       (a) All state, national, cooperative and savings  
5 banks, title insurance and trust companies, building and  
6 loan associations, domestic corporations operating under  
7 the provisions of Chapter 392 of the Code, 1931, insurance  
8 companies, and/or insurance associations, fraternal  
9 beneficiary associations, now or hereafter organized or  
10 incorporated by or under the laws of this state or  
11 lawfully operating in the State of Iowa.

12       (b) Cemetery corporations, organizations and  
13 associations, and corporations organized for religious,  
14 charitable, scientific, or educational purposes, or for  
15 the prevention of cruelty to children or animals, no  
16 part of the net earnings of which inures to the benefit  
17 of any private stockholder or individual.

18       (c) Business leagues, chambers of commerce, labor  
19 unions and auxiliary organizations, or boards of trade  
20 not organized for profit, and no part of the net  
21 earnings of which inures to the benefit of any private  
22 stockholder or individual.

23       (d) Civic leagues or organizations not organized  
24 for profit, but operated exclusively for the promotion  
25 of social welfare.

26       (e) Clubs, organizations or associations organized  
27 and operated exclusively for pleasure, recreation, and  
28 other non-profitable purposes, no part of the net  
29 earnings of which inures to the benefit of any private

30 stockholder or member.

31 (f) Co-operative organizations not conducted for  
32 the profit of the organization, where the entire gross  
33 income from its transactions, not used for the payment  
34 of its expenses or reserved for losses or reserved in  
35 compliance with the statutory requirements, accrues  
36 to its members on the basis of their patronage.

1 Sec. 4. Exemptions. The privilege of engaging  
2 in whole or in part in the following businesses,  
3 together with the acts of deriving income from such  
4 sources are hereby declared to be exempt from the tax  
5 imposed by this act:

6 (a) The proceeds of life insurance premiums and  
7 contracts paid upon the death of the insured, or policy  
8 loans and cash surrenders made thereunder.

9 (b) The return of premiums paid under life,  
10 endowment or annuity contracts, either during the term  
11 or at the termination thereof, or upon the surrender of  
12 such contract.

13 (c) The acquisition by gift, bequest, devise or  
14 inheritance of any property or money, but not the income  
15 therefrom.

16 (d) The net proceeds of the sale of livestock  
17 and/or grain produced outside this state and sold at  
18 public markets within this state.

19 (e) The receipt of compensation through an

20 accident or health insurance policy, or under the  
21 Workmen's Compensation Act, for personal injury or  
22 sickness, or receipt of money from compensation for  
23 damages either recovered by suit or agreement.

24 (f) The receipt of interest on obligations of the  
25 United States or of the State of Iowa, or any subdivision  
26 thereunder, or interest upon securities issued under the  
27 provisions of Federal Law where such interest is exempted  
28 from taxation by the laws of the United States and of  
29 this state.

30 (g) Salaries, wages or other compensation received  
31 from the United States by office or employment thereof  
32 and pensions and compensation received from the United  
33 States where the same is especially exempted from  
34 taxation by law.

35 (h) The business of banking as defined by the  
36 laws of the State of Iowa.

37 (i) The borrowing of money.

38 (j) Engaging in the transportation of persons  
39 or goods as a motor carrier under the provisions of  
40 Chapter 252 A-1, Code of Iowa, 1931, which is now  
41 subject to the payment of a privilege tax computed  
42 on a rate per ton mile.

1 Sec. 5. Deductions. There is hereby allowed a deduction  
2 of three dollars per annum from the total annual tax imposed  
3 against each taxpayer by this act. And in the event no tax

4 beyond such deduction is due, then no return shall be required  
5 from such taxpayer.

1     Sec. 6. Payment-Installments. The taxes levied hereunder  
2 shall be payable in quarterly installments on or before the  
3 expiration of thirty days from the end of the quarter in which  
4 the tax accrues. The taxpayer shall, within thirty days from  
5 the expiration of each quarter, make out an estimate of the  
6 tax for which he is liable for such quarter, and mail or deliver  
7 the same together with a remittance in the form required by  
8 Section 7 of this act, for the amount of the tax, to the  
9 office of the county treasurer. Provided, however, that where  
10 the tax any taxpayer is liable for under this act shall exceed  
11 an average of ten dollars (\$10.00) per month, such taxpayer  
12 shall be permitted to make monthly payments, and the board  
13 may, in their discretion, where the tax liability of the  
14 taxpayer is in excess of the monthly average of ten dollars  
15 (\$10.00) require monthly estimates and payments. The board  
16 may authorize any taxpayer, whose methods of conducting business  
17 or accounting render such procedure desirable, to make return  
18 and pay the tax on a semi annual, or other basis satisfactory  
19 to the board. The board may require the filing of a bond to  
20 insure payment of any such tax.

1     Sec. 7. Registration. Every person and corporation  
2 who is made subject to the payment of a tax under the  
3 provisions of this act, shall on or before the first day  
4 of July of each year register as a taxpayer under this act,

5 with the board, which registration may be made by letter  
6 giving the name, place of residence, occupation, business  
7 or profession of the person or corporation so registering  
8 and the name of the county in which the tax will be paid,  
9 which shall be either the county of the taxpayer's residence  
10 or his principal place of business. If such taxpayer is, at  
11 the time of his registration an employer of any other person  
12 or persons, he shall also give the number of persons in his  
13 employ and the aggregate amount of wage or salary paid to  
14 such employees monthly. Taxpayers shall also supply such  
15 other and further information in connection with such registration  
16 as may be reasonably necessary for the purpose of maintaining  
17 a roster of taxpayers. The board shall have authority to  
18 require every assessor to furnish to the county auditor a  
19 list of all persons in his assessing district subject to  
20 tax under this law. The board shall, upon application,  
21 furnish necessary blanks for the filing of the information  
22 required by this section.

1 Sec. 8. Returns. (a) On or before thirty days  
2 after the end of the tax year each person and corporation  
3 liable for the payment of a tax under Section 2 of this  
4 act shall make a return showing the gross proceeds of sales  
5 or gross income of business, and compute the amount of tax  
6 chargeable against him in accordance with the provisions  
7 of this act, and deduct the amount of quarterly payments,  
8 as hereinbefore provided, if any, and transmit with his

9 report a remittance in the form provided for by Section 7  
10 of this act, covering the residue of the tax chargeable  
11 against him, to the office of the county treasurer; such  
12 return shall be verified by the oath of the taxpayer, if  
13 made by an individual, or by the oath of the president,  
14 vice president, secretary or treasurer of a corporation  
15 if made on behalf of a corporation. If made on behalf  
16 of a partnership, or any other group or combination acting  
17 as a unit, any individual delegated by such co-partnership  
18 or any other group or combination acting as a unit shall  
19 make the oath on behalf of the taxpayer. If for any reason  
20 it is not practicable for the individual taxpayer to make the  
21 oath, the same may be made by any duly authorized agent. The  
22 board, for good cause shown, may extend the time for making  
23 the annual return on the application of any taxpayer and  
24 grant such reasonable additional time within which to make  
25 the same as may, by them, be deemed advisable.

26 (b) Every employer is hereby required to make report  
27 showing the names and addresses of every person in his  
28 employ who receives a wage or salary and the amount of such  
29 wage or salary together with the frequency of payment. This  
30 report shall accompany the report of the employer as to his  
31 own income.

32 (c) The county treasurer shall within ten days after  
33 receipt thereof, forward all quarterly estimates and annual  
34 reports to the office of the board together with a statement

35 of and a receipt for the amount of tax payments received. The  
36 board shall, promptly, audit all returns.

1     Sec. 9. Errors—Appeals. If the taxpayer shall make  
2 any error in computing the tax assessable against him, the  
3 board shall correct such error or re-assess the proper amount  
4 of taxes, and notify the taxpayer of its action by mailing  
5 to him promptly a copy of the corrected assessment, and any  
6 additional tax for which such taxpayer may be liable shall  
7 be paid to the county treasurer within ten days after the  
8 receipt of such a statement. If a refund is due the board may  
9 draw a warrant against the treasurer of the county where the  
10 tax was paid for the amount due which warrant shall constitute  
11 the county treasurer receipt for the amount in his quarterly  
12 accounting with the board. Any person aggrieved by the  
13 decision of the board may appeal to the district court of  
14 the county wherein such taxpayer resides, or if a non-resident  
15 of this state, to the district court of the county, in which  
16 it has its principal place of business, upon filing a bond with  
17 sufficient penalties and one or more sureties to be approved  
18 by the clerk of courts of the county, conditioned that the  
19 appellant will prosecute his appeal without delay and pay  
20 all costs that he may be adjudged to pay in such court;  
21 such bond shall be executed to the state, and may be sued  
22 in the name of the state upon breach of any condition therein.  
23 Such appeal shall be taken within thirty days after the decision  
24 of the state board by serving written notice on the state

25 board.

1     Sec. 10. Returns—Failure to Make. If any person fail  
2 or refuse to make a return, the State Board of Assessment and  
3 Review shall proceed, in such manner as may seem best, to  
4 obtain facts and information on which to base the assessment  
5 of tax herein prescribed; and to this end they may, by themselves  
6 or their duly appointed agent, make examination of the books,  
7 records and papers of any such person and may take the evidence,  
8 on oath of any person who they may believe shall be in  
9 possession of facts or information pertinent to the subject  
10 of inquiry, which oath, he or the agent so appointed by him,  
11 may administer. As soon as possible after procuring such  
12 information as they may be able to obtain with respect to any  
13 person failing or refusing to make a return, the State Board  
14 of Assessment and Review shall proceed to assess the tax  
15 against such person, and shall notify him of the amount  
16 thereof, and their act shall be final as to any person who  
17 refused to make a return.

1     Sec. 11. Tax a Lien. The tax imposed by this act shall  
2 be a lien upon the property of any person subject to the  
3 provisions hereof who shall sell out his business or stock  
4 of goods, or shall quit business, and such person shall be  
5 required to make the return provided for under Section 8 within  
6 thirty days after the date he sold out his business or stock  
7 of goods, or quit business, and his successor in business  
8 shall be required to withhold sufficient of the purchase

9 money to cover the amount of said taxes due and unpaid,  
10 until such time as the former owner shall produce a  
11 receipt from the State Board of Assessment and Review  
12 showing that the taxes have been paid. If the purchaser  
13 of a business or stock of goods shall fail to withhold  
14 purchase money as above provided and the taxes shall be due  
15 and unpaid after the thirty day period allowed, he shall  
16 be personally liable for the payment of the taxes accrued  
17 and unpaid on account of the operation of the business by  
18 the former owner. Every person receiving the proceeds of  
19 sale at any public sale of personal property, either as clerk  
20 of such sale, auctioneer or public officer, shall deduct  
21 from the proceeds received from such sale, the amount of  
22 the taxes due under the provisions of this act, and  
23 forthwith remit the same to the County Treasurer, otherwise  
24 he shall be personally liable therefor.

1 Sec. 12. Faulty Assessment—Procedure. If any person  
2 having made the return and paid the tax as provided by this  
3 act, feels aggrieved by the assessment so made upon him for  
4 any year by the State Board of Assessment and Review, he may  
5 apply to the State Board of Assessment and Review by petition,  
6 in writing, within thirty days after notice is mailed to him  
7 by the State Board of Assessment and Review, for a hearing  
8 and a correction of the amount of the tax so assessed upon  
9 him by the State Board of Assessment and Review, in which  
10 petition shall be set forth the reasons why such hearings

11 should be granted and why the amount of such tax should be  
12 reduced. The State Board of Assessment and Review shall  
13 promptly consider such petition, and may grant such hearing  
14 or deny the same. If denied, the petitioner shall be  
15 forthwith notified thereof; if granted, the State Board of  
16 Assessment and Review shall notify the petitioner of the time  
17 and place fixed for such hearing. After such hearing, the  
18 State Board of Assessment and Review may make such order in  
19 the matter as may appear to them just and lawful, and shall  
20 furnish a copy of such order to the petitioner. Any person  
21 improperly charged with any tax and required to pay the same,  
22 may recover the amount paid, together with interest, by paying  
23 the same under protest and by suit commenced within thirty  
24 days after such payment or order of the Board after a hearing  
25 or denying the same, against the State Board of Assessment  
26 and Review, and the district court of the county in which  
27 the taxpayer resides or is located shall have original  
28 jurisdiction of any action to recover any tax improperly collect-  
29 ed. It shall be necessary for the taxpayer to protest against  
30 the payment of the tax and to make demand to have the same  
31 refunded in order to maintain such suit. In any suit to  
32 recover taxes paid or to collect taxes, the court shall  
33 adjudge costs to such extent and in such manner as may be  
34 deemed equitable.

35 No injunction to restrain or delay the collection of  
36 any tax claimed to be due shall be issued by any court,

37 but in all cases in which, for any reason it shall be claimed  
38 that any tax about to be collected is wrongful or illegal  
39 in whole or in part, the remedy, except as otherwise  
40 expressly provided by this act, shall be by payment under  
41 protest and action to recover, as provided in this section.

1     Sec. 13. Delinquency—Penalty. A tax due and unpaid  
2 under this act shall constitute a debt due the state and  
3 may be collected by action in the proper court for judgment,  
4 or other appropriate judicial proceedings, which remedy shall  
5 be in addition to all other existing remedies, and upon  
6 the filing of a notice of lien with the County Recorder  
7 of the proper county, it shall constitute a lien upon all  
8 the property of the taxpayer and the same shall be collected  
9 by distress and sale by the County Treasurer, as other taxes  
10 are collected, together with an additional five per cent of  
11 the amount of the tax, and the costs of collection, if paid  
12 within thirty days after the date it was due, and an  
13 additional two per cent of the amount of the tax for each  
14 succeeding thirty days elapsing before the tax shall have  
15 been paid; provided, however, that the additional two  
16 per cent penalty shall not be applied until a ten-day  
17 notice of delinquency shall have been sent to the taxpayer.

1     Sec. 14. Tax Year. The assessment of taxes herein  
2 made and the returns required therefor shall be for the  
3 year ending on the thirty-first day of December; provided,  
4 however, that if the taxpayer in transacting his business,

5 keeps the books reflecting the same on a basis other than  
6 the calendar year, he may, with the assent of the State  
7 Board of Assessment and Review, make his annual returns  
8 and pay taxes for the year covering his accounting period,  
9 as shown by the method of keeping the books of his business.

1     Sec. 15. Privilege Tax. The tax imposed by this  
2 Act shall be in addition to all other licenses and taxes  
3 levied by law as a condition precedent to engaging in any  
4 business taxable hereunder, except as in this act otherwise  
5 specifically provided.

6     All remittances of taxes and fees imposed by this  
7 Act shall be made to the County Treasurer, and all such  
8 remittances shall be made payable to him. The County  
9 Treasurer shall issue his receipts therefor to the  
10 taxpayer, and shall keep all such moneys received by  
11 him in a special fund to be known as the "State Tax  
12 Fund", to be distributed quarterly upon order of the  
13 Board as provided in Section 18 of this Act.

1     Sec. 16. False Return—Penalty. It shall be  
2 unlawful for any person to refuse to make the return  
3 provided to be made in Sections eight (8) and seventeen  
4 (17) of this Act; or to make any false or fraudulent  
5 return or false statement in any return, with intent  
6 to defraud the state or to evade the payment of the tax,  
7 or any part thereof, imposed by this Act; or for any  
8 person to aid or abet another in any attempt to evade

9 the payment of the tax, or any part thereof, imposed by  
10 this Act; or for the president, vice-president, secretary  
11 or treasurer of any company to make or permit to be made  
12 for any company or association any false return, or any  
13 false statement in any return required in this Act, with  
14 the intent to evade the payment of any tax hereunder,  
15 and any person violating any of the provisions of this  
16 section shall be guilty of a misdemeanor and conviction  
17 thereof, shall be fined not more than one thousand dollars  
18 (\$1,000.00) or imprisoned not exceeding one year in the  
19 county jail or punished by both fine and imprisonment,  
20 at the discretion of the court, within the limitations  
21 aforesaid. In addition to the foregoing penalties, any  
22 person who shall knowingly swear to or verify any false  
23 or fraudulent return, or any return containing any false  
24 or fraudulent statement, with the intent aforesaid, shall  
25 be guilty of the offense of perjury and, on conviction  
26 thereof, shall be punished in the manner provided by  
27 law. Any company for which a false return or a return  
28 containing a false statement as aforesaid shall be  
29 punished by a fine of not more than one thousand dollars  
30 (\$1,000.00).

1 Sec. 17. Administration. The administration of  
2 this Act is vested in and shall be exercised by the  
3 Board who shall prescribe forms and reasonable rules  
4 of procedure in conformity with this Act for making

5 of returns and for the ascertainment, assessment and  
6 collection of the taxes imposed hereunder ; and the  
7 enforcement of any of the provisions of this Act in  
8 any of the courts of the state shall be under the  
9 jurisdiction of the Board, which may require the  
10 assistance of and act through the County Attorney of  
11 any county, and may, with the assent of the Attorney  
12 General of the state, employ special counsel in any  
13 county to aid the County Attorney, the compensation  
14 of whom shall be fixed by and paid only upon the order  
15 of said Attorney General ; but the County Attorney of  
16 any county shall receive no fees of compensation for  
17 services rendered in enforcing this Act in addition  
18 to the salary paid by the county to such officer.

19 The County Treasurer of each county of the  
20 state is hereby designated the representative of the  
21 Board in each county ; additional clerical assistance  
22 required by him in carrying out the provisions of this  
23 act, or orders of the Board in compliance therewith,  
24 shall be paid out of funds provided for its enforcement  
25 and administration. The Board shall have power to  
26 require other county or state officers to furnish  
27 information or perform acts or duties to assist in the  
28 administration of this act, the nature of which is  
29 within the scope of their official duties.

30 There is hereby appropriated out of the revenue

31 derived from this Act, not to exceed 3% of the revenue  
32 derived therefrom for the expenses incurred by the  
33 Board in carrying out of its provisions.

1     Sec. 18. Allocation. Out of the "State Tax"  
2 funds created by the revenues derived from this act  
3 and from other existing taxes, licenses and excises  
4 now payable into such fund, or the general fund of the  
5 State, there shall be paid, the following items of  
6 state, county and public school expense.

7     (a) All items of general expense of the state  
8 government authorized and appropriated for by the  
9 General Assembly.

10    (b) Salaries of all county officers where the  
11 annual salary and employment is fixed by statute.

12    (c) All other county expenditures or appro-  
13 priations required by law where the amount and  
14 condition precedent to payment does not lie within  
15 the discretion of the Board of Supervisors.

16    (d) To the public school system all additional  
17 revenue accruing to the "State Tax" funds of the  
18 various counties of the state by operation of this  
19 Act, except such amounts as may be set aside by the  
20 state as a reserve fund as hereinafter provided.

21     The State Board shall apportion to the several  
22 school corporations of the state the amount above  
23 specified in the proportion that the total number of

24 teacher units allotted to each school corporation  
25 bears to the total number of teacher units allotted  
26 to all the school corporations in the state.

27 In determining the credit for teacher units to  
28 which a school corporation is entitled the following  
29 method shall be used:

30 (1) Elementary schools shall be those schools  
31 or portions of schools affording instructions in grades  
32 one to eight inclusive, such schools employing but one  
33 teacher shall be considered a teacher unit except where  
34 the average daily attendance is less than eight, they  
35 shall be considered a fractional teacher unit in the  
36 proportion that the actual average daily attendance  
37 bears to fifteen. In elementary schools employing two  
38 or more teachers two teacher units shall be counted for  
39 the first thirty-five pupils in average daily attendance,  
40 and one additional teacher unit for each additional  
41 twenty-seven pupils or major fraction thereof in average  
42 daily attendance.

43 (2) High schools shall be those schools or  
44 portions of schools affording instruction in grades  
45 nine to twelve inclusive. In such schools a defined  
46 unit shall be given an allocation credit of one and  
47 one-half teacher units. In a district having an  
48 average daily attendance of twenty-five or less, one  
49 unit for each teacher employed but not exceeding two

50 units except when the average daily attendance is less  
51 than twelve they shall be considered a fractional unit  
52 in the proportion that the average daily attendance  
53 bears to twenty. In such schools with an average  
54 daily attendance of forty or less two units for the  
55 first twenty-five pupils in average daily attendance,  
56 and one additional unit for each fifteen additional  
57 pupils in average daily attendance or major fraction  
58 thereof. In such schools having an average daily  
59 attendance of more than forty, three units for the  
60 first forty and one for each additional twenty-five  
61 or major fraction thereof.

62 (3) Where transportation is provided for pupils  
63 outside the limits of incorporated cities or towns  
64 a credit for teacher units shall be given on the same  
65 basis as elementary schools, for pupils residing outside  
66 such incorporations actually transported. Any  
67 fractional teacher unit earned for transportation shall  
68 be given a full teacher unit credit.

69 (4) The allocation provided in subsections (a) (b)  
70 (c) and (d) of this section is based upon a minimum  
71 allocation of twenty million dollars (\$20,000,000) to the  
72 purpose of subsection (d). If in any year the revenue  
73 derived from this act shall be insufficient to meet  
74 the obligation created by these subsections (a) (b)  
75 (c) and (d) upon it, the amounts allocated to each

76 purpose shall be in the proportion that the amount  
77 of yield bears to the amount actually expended in  
78 the previous year under subsections (a) (b) (c) and  
79 twenty million dollars (\$20,000,000) allocated under  
80 subsection (d) hereof. If the yield is in excess  
81 of such amounts the executive council may, by order,  
82 set aside any portion or all of such excess in a  
83 reserve fund until such reserve fund shall amount  
84 to fifteen million dollars (\$15,000,000) which  
85 fund shall be used only for the purpose of meeting  
86 deficiencies in the obligations created by this act  
87 when revenues herefrom are insufficient to meet  
88 obligations hereon and then only in the proportions  
89 hereinbefore set forth. Any other surplus shall  
90 accrue to the benefit of subsection (d) hereof.

91 (5) Chapter 62 of the Laws of the Forty-fifth  
92 General Assembly is hereby amended by striking from  
93 line four (4) thereof the word "nine" and inserting  
94 in lieu thereof the word "five".

95 (6) In all other cases the amount of tuition  
96 charged shall not exceed fifty per centum of that  
97 otherwise allowed by law.

98 (e) At the end of each quarterly period, the  
99 board shall send to each county treasurer, a statement  
100 of the amounts in dollars due each school corporation  
101 in the county as well as the amounts payable under

102 subsections (b) and (c) hereof and the county treasurer  
103 shall by warrant payable to the treasurer of the  
104 various school corporations allocate to such  
105 corporations the amounts specified by the board.  
106 He shall also, by warrant drawn on such fund, pay the  
107 amounts specified in subsections (b) and (c) of this  
108 section to the persons entitled to receive the same.  
109 To the general fund of the state or to such counties  
110 of the state as may have insufficient funds to meet  
111 the requirements of subsections (b) and (c) and (d)  
112 hereof shall be paid the balance of such funds upon  
113 order of the board determining the amount and to  
114 whom payable.

1     Sec. 19. Invalidation. If any clause, sentence,  
2 paragraph, or part of this act shall for any reason be  
3 adjudged by any court of competent jurisdiction to be  
4 invalid, such judgment shall not affect, impair, or  
5 invalidate the remainder of this act, but shall be  
6 confined in its operation to the clause, sentence,  
7 paragraph, or part thereof directly involved in the  
8 controversy in which such judgment shall have been  
9 rendered.

1     Sec. 20. Repeal. The tax levied by the provisions  
2 of this act shall not be in lieu of any state license,  
3 excise or other tax imposed or due under the provisions  
4 of any law now in force except as may be herein

5 specifically provided.

6 All laws or parts of laws inconsistent with the  
7 provisions of this act are hereby repealed.

1 Sec. 21. Emergency Allocation. For the period  
2 of the year 1934 during which the provisions of this  
3 act shall be in effect the revenues derived herefrom  
4 shall be allocated as provided in Section 18. From  
5 the second installment of property taxes collectible  
6 before October 1, 1934, the Treasurers of the various  
7 counties of the state shall deduct that portion of  
8 the second installment which is levied on behalf  
9 of the state. From the levies imposed by the county,  
10 he shall deduct an amount which would be raised by a  
11 levy of one third of one mill on the taxable value  
12 of the property and from the levies for the benefit  
13 of the various school corporations of the county, he  
14 shall deduct that proportion which the amount the  
15 Board has allocated to the school corporation bears  
16 to the total budget of such school corporation for the  
17 year for which such taxes were levied.

1 Sec. 22. Tax Limitation. The total millage  
2 levy of taxes on taxable property in any year, for and  
3 on behalf of any taxing district, for the support of  
4 the state, the support of the county and the support  
5 of the public schools shall not exceed ten (10) mills  
6 on the dollar of the assessed valuation of such property.

1     Sec. 23. The limitation imposed by the preceding  
2 section shall not be deemed to include the necessary  
3 levies to pay interest on and regularly retire the  
4 principal of bonds outstanding against the taxing district  
5 on the date of the taking effect of this Act.

1     Sec. 24. Publication Clause. This act, being  
2 deemed of immediate importance, shall be in full force  
3 and effect after its passage and publication in the  
4 Keokuk County News, a newspaper published at Sigourney,  
5 Iowa, and in the West Liberty Index, a newspaper published  
6 at West Liberty, Iowa.

Jan. 17, 1934

(New) Senate File No. 230.

By HICKLIN, NELSON, TRIPP, HUSTED, WENNER,  
ELTHON, COYKENDALL, TOPPING, FISCH, STEVENS,  
BOOTH, BALDWIN, STANLEY, MOORE, HARRINGTON,  
(As Rewritten and then amended by the Committee of the  
Whole).

## A BILL FOR

An Act to limit the amount of taxes assessed against property to provide for the raising of public revenue from other sources by imposing a tax or taxes upon the privilege of doing business in the state of Iowa, in accordance with certain specified classifications and to provide for the ascertainment, assessment, and collection of such taxes; to provide for the distribution and use of revenue derived under this act so as to provide a partial substitute for such property taxes; to regulate the revenue raised by public schools from tuition; to amend chapter sixty-two (62) of the laws of the Forty-fifth General Assembly; to repeal all laws or parts of laws in conflict herewith, and to provide penalties for the violation of the provisions of this act.

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

1 Section 1. Definitions. This act to be known and  
2 cited as the "property tax limitation and relief act of 1933".

3 Unless otherwise specifically provided when used in  
4 this act:

5 (a) The word "person" includes individuals, fiduciaries  
6 and partnerships.

7 (b) The word "corporation" includes joint stock companies,  
8 limited partnerships, and associations organized for  
9 pecuniary profit.

10 (c) The words "domestic corporation" mean any  
11 corporation organized under the laws of this state.

12 (d) The words "foreign corporation" mean any

13 corporation other than a “domestic corporation”.

14 (e) The word “taxpayer” means and includes every  
15 person, individual, firm, co-partnership, association,  
16 corporation, society, congregation, and/or body of  
17 persons howsoever associated, or organized, and/or  
18 fiduciary, who derives or receives any income  
19 from any and all business done or transacted in the state  
20 of Iowa, and any other individual who maintains a permanent  
21 place of abode within this state, or spends in the aggregate  
22 more than six months within the state, within any tax year,  
23 or maintains or occupies a permanent place of doing business  
24 in the state of Iowa.

25 (f) The term “tax year” or “taxable year” means the  
26 calendar year.

27 (g) The term “gross income” means the aggregate sum  
28 in value, or its equivalent, passing in any transaction  
29 of business as compensation for personal service, and  
30 from trade, business or commerce, proceeding or accruing from  
31 the sale of tangible property, real or personal, or service, or both,  
32 and all receipts, actual or accrued, by reason of the investment of  
33 capital of the business engaged in, including interest, discounts,  
34 rentals, royalties, dividends, fees, wages, salaries,  
35 commissions or other emoluments, however designated,  
36 without any deduction on account of the cost of property  
37 sold, the cost of materials used, labor costs, interest,  
38 or discount paid, or any other expense whatsoever; and,

39 without any deduction on account of losses; provided,  
40 however, that when credit is extended for the whole,  
41 or any part of the consideration proceeding from  
42 any business transaction, such credit receivable shall  
43 not be deemed to constitute gross receipts or gross  
44 income until collected. Provided further the term "gross  
45 income" shall not include the proceeds of a sale of property  
46 by the owner when such sale is an isolated transaction merely  
47 incident to ownership, is not part of a series of similar  
48 transactions, and has no connection with a regular business of  
49 the owner. Provided, further, that upon the sale of any  
50 property or commodity, delivered out of the state, the freight  
51 or transportation cost, actually paid thereon, shall not be deemed  
52 gross income. Provided, further, that cash discounts, allowed  
53 and taken on sales, shall not be included as gross income; and  
54 further provided, that goods, wares or merchandising or  
55 the value thereof, returned by customers when the sale  
56 price is refunded, either in cash or credit, shall not be  
57 deemed included in gross receipts or income. Interest accruing  
58 after this act becomes effective and received upon any  
59 indebtedness, loan or deposit of money, security or investment,  
60 and discounts charged, when collected, shall constitute gross  
61 receipts. The payment of any obligation for borrowed  
62 money, whether such obligation be evidenced by note, bond, or  
63 other instrument, or not, and the withdrawal of deposits, shall  
64 not, as to the principal of such obligation, constitute gross

65 receipts or income. Gasoline, cigarette, and other special  
66 taxes, imposed by the laws of this state, shall remain in full  
67 force and effect, but the amount of such taxes paid by the  
68 taxpayer shall not be deemed gross income; the receipt  
69 of money or property by assignment for the benefit of  
70 creditors or as trustees upon the creation of a trust,  
71 or the pledge of property for security, shall not be  
72 deemed gross income. The receipts of capital by a cor-  
73 poration, copartnership, firm or joint adventure, for  
74 sale of stock in such corporation, copartnership, firm  
75 or joint adventure, or contributions to capital by the  
76 members of any other organizations, shall not be deemed  
77 gross income, but any sums received in excess of the  
78 amount of such capital shall be taxable as gross income.  
79 Proceeds accruing or proceeding from subsequent transactions  
80 in the stock of such corporation or organizations, or in  
81 the interests of shares of the members of any organization  
82 shall be taxable.

83 (h) The word "business" shall mean, and include,  
84 any activity engaged in, or caused to be engaged in,  
85 with the object of gain, benefit, or advantage, either  
86 direct or indirect.

87 (i) The term "manufacturer" shall be deemed to  
88 include any person, firm, or corporation, who purchases,  
89 receives, or holds personal property of any description  
90 for the purpose of adding to the value thereof by any

91 process of manufacturing, refining, purifying, combining  
92 of different materials, or by the packing of meats, with  
93 a view to selling the same for gain or profit.

94 (j) The term “includes” and “including”, when used  
95 in a definition contained herein, shall not be deemed to  
96 exclude other things otherwise within the meaning of the  
97 term defined.

98 (k) The term “board” shall mean the Iowa state  
99 board of assessment and review.

100 (l) The term “treasurer” shall mean the treasurers  
101 of the various counties of this state.

102 (m) The term “general service business” shall include  
103 all nonprofessional activities engaged in for other persons  
104 for a consideration, which involves the rendering of a  
105 service as distinguished from the production or sale of  
106 property, but shall not include the services rendered by  
107 an employee to his employer.

1     **Sec. 2. Levy and Rates.** That from and after the  
2 taking effect of this act, there is hereby imposed upon  
3 each and every taxpayer within the meaning of this act,  
4 located in or transacting business in the state of Iowa,  
5 a tax upon the privilege of such taxpayer to do business,  
6 such tax being imposed at the rates and under the  
7 conditions hereinafter provided, in respect to all  
8 business done within this state by such taxpayer, at the  
9 rates specified hereinafter for each business or class of

10 business in which such taxpayer engages. But a  
11 taxpayer receiving income from labor performed,  
12 business done, or property located partly in and partly outside  
13 this state, and income from labor performed, business done,  
14 or property located partly in and partly outside of this state,  
15 shall be taxable only upon the amount of income received by such  
16 taxpayer from labor performed, business done, or property  
17 located within this state. The remainder of the income  
18 received by him shall be deemed nontaxable by this  
19 state. The taxes levied by this section shall be  
20 assessed, collected and paid at the following specified  
21 rates, to-wit:

22 (a) For the privilege of engaging or continuing within this  
23 state in the business of manufacturing, a tax of one-half ( $\frac{1}{2}$ )  
24 of one per cent ( $\frac{1}{2}\%$ ) of the gross proceeds received from the  
25 sales of such products manufactured and delivered within the  
26 state, excluding therefrom deliveries for transportation out of  
27 the state; provided, that the amount of such tax imposed upon such  
28 proceeds from the sale of food stuffs so manufactured for human  
29 consumption and of the by-products of such manufacturing  
30 business shall be one-fourth of one per cent ( $\frac{1}{4}\%$ ).

31 Where the products of a manufacturer are marketed at whole-  
32 sale in whole or in part through a subsidiary, the subsidiary  
33 shall be taxed at the rate provided for the manufacturer of the  
34 articles so marketed, and such subsidiary shall  
35 make a return and pay the tax upon the proceeds of sales

36 herein taxed, and the parent concern shall not include in its  
37 return or pay a tax on the sale or transfer of  
38 its product so marketed through its  
39 subsidiary.

40 (b) For the privilege of continuing or engaging  
41 in any occupation, trade, profession or calling where  
42 the gross income is represented by a compensation in  
43 the form of wages or salaries, the amount of the tax  
44 levied and imposed by this act shall be equal to the  
45 gross income from such business, multiplied by a  
46 rate of one-half of one per cent ( $\frac{1}{2}\%$ ) on such income, up to  
47 and including \$1,000.00; on all amounts in excess of  
48 \$1,000.00 up to and including \$2,000.00, by a rate of  
49 one per cent (1%); on all amounts in excess of \$2,000.00  
50 up to and including \$3,000.00, by a rate of two per cent (2%);  
51 on all amounts in excess of \$3,000.00 up to and including  
52 \$4,000.00, by a rate of three per cent (3%); on all amounts in  
53 excess of \$4,000.00 up to and including \$5,000.00, by a  
54 rate of four per cent (4%); on all amounts in excess of  
55 \$5,000.00, by a rate of five per cent (5%).

56 (c) For the privilege of engaging or continuing in  
57 any business where the gross income is represented by  
58 compensation in the form of fees, commissions, the tax levied  
59 and imposed by this act shall be equal to the gross income  
60 received from such business, multiplied by a rate of  
61 one per cent (1%) on all amounts up to and including

62 \$2,500.00 ; upon all amounts in excess of \$2,500.00 up  
63 to and including \$5,000.00, by a rate of two per cent (2%) ;  
64 upon all amounts in excess of \$5,000.00 up to and  
65 including \$7,500.00, by a rate of three per cent (3%) ;  
66 upon all amounts in excess of \$7,500.00, by a rate of  
67 four per cent (4%). When any business referred to in this  
68 section is engaged in by a partnership, then for the  
69 purpose of taxation under this act, the gross receipts  
70 shall be deemed to be the gross receipts of the respective  
71 individual members of such firm, in proportion to their  
72 participation therein, and the tax shall be imposed upon  
73 such individual members of the partnership.

74 For the privilege of engaging or continuing in any business  
75 where the gross income is represented by interest or dividends,  
76 including stock dividends, the tax levied and imposed by this  
77 act shall be equal to the gross receipts received from such  
78 business multiplied by a rate of one-half of one per cent ( $1\frac{1}{2}\%$ )  
79 on such income, up to and including \$1,000.00 ; on all amounts in  
80 excess of \$1,000.00 up to and including \$2,000.00, by a rate  
81 of one per cent (1%) ; on all amounts in excess of \$2,000.00  
82 up to and including \$3,000.00, by a rate of two per cent (2%) ;  
83 on all amounts in excess of \$3,000.00 up to and including  
84 \$4,000.00, by a rate of three per cent (3%) ; on all amounts  
85 in excess of \$4,000.00 up to and including \$5,000.00, by a rate  
86 of four per cent (4%) ; on all amounts in excess of \$5,000.00,  
87 by a rate of five per cent (5%).

88 (d) For the privilege of engaging or continuing  
89 in any business, the gross income from which is derived  
90 from rents, royalties or discounts, the tax shall be the  
91 gross receipts derived from such business, multiplied by  
92 a rate of one per cent (1%).

93 (e) For the privilege of engaging or continuing in the  
94 amusement business, including ball games, skating rinks,  
95 pool halls, theatres, shows, athletic exhibitions or matches  
96 and similar transactions, the amount of such tax shall be  
97 an amount equal to the gross receipts received from such  
98 source multiplied by two per cent (2%).

99 (f) For the privilege of engaging or continuing in the  
100 business of transportation of persons or property  
101 for hire, other than as a street railway, one per cent (1%)  
102 upon the entire gross income from such business, originating  
103 and terminating within the state.

104 (g) For the privilege of engaging or continuing in the  
105 business of transmitting messages or communications for  
106 public hire as a common carrier, the tax shall be an amount  
107 equal to the gross receipts received upon all such business  
108 originating and terminating within the state, multiplied  
109 by two per cent (2%).

110 (h) For the privilege of engaging in, or continuing  
111 in the business of selling goods at retail through stores,  
112 agents, solicitors or otherwise, including the business of  
113 selling electrical energy, manufactured and natural gas,

114 straight or mixed, water or heat, and all petroleum products,  
115 crude and/or refined, except motor vehicle fuel, including  
116 natural gas, transported in pipe-lines and when at rest for  
117 distribution within the state of Iowa, for sale, use and  
118 consumption in said state, where such sale is intended  
119 as a sale to the ultimate consumer and is not intended  
120 for processing or resale, the tax shall be computed by  
121 multiplying the gross receipts received or derived therefrom  
122 during the tax year, within the state of Iowa, by the  
123 following rates, to wit:

- 124 1. That portion of the gross receipts not in  
125 excess of \$50,000.00, by one-half of one per cent ( $\frac{1}{2}\%$ ).
- 126 2. That portion of the gross receipts in excess of  
127 \$50,000.00, and not in excess of \$100,000.00, by one per cent (1%).
- 128 3. That portion of the gross receipts in excess of  
129 \$100,000.00 and not in excess of \$150,000.00, by one and  
130 one half per cent ( $1\frac{1}{2}\%$ ).
- 131 4. That portion of the gross receipts in excess of  
132 \$150,000.00, by two per cent (2%).

133 For the purposes of this subsection, every person, firm,  
134 corporation, association, partnership or agency whatsoever  
135 operating in whole or in part any store, stores or places  
136 of sale or distribution in this state, for the purpose of selling  
137 at retail any tangible personal property, or electrical  
138 energy, manufactured and natural gas, straight or mixed,  
139 water or heat, and all petroleum products, crude and/or refined,

140 except motor vehicle fuel; to consumers or users thereof,  
141 shall be considered as a single unit for the collection of  
142 taxes under this act, and the rates as provided in this act  
143 shall be applied upon the entire volume of all sales made  
144 by any such retailer, or retailers, through all retail  
145 establishments or places of business, under the management  
146 or control, in whole or in part, of such retailer, or retailers.  
147 The state board shall provide for joint returns from the  
148 retailer in all cases where more than one retail agency, store  
149 or establishment is under the same general management,  
150 supervision, ownership or control, in whole or in part.

151 (i) For the privilege of engaging or continuing in the  
152 business of farming or live stock raising, or other agricultural  
153 pursuits, the tax shall be an amount equal to the total  
154 value of the product or products of such business during  
155 the tax year at the time such product or products are marketed,  
156 multiplied by a rate of one-fourth of one per cent ( $\frac{1}{4}\%$ ).

157 (j) For the privilege of engaging in or continuing in  
158 the business of a "trader", as hereinafter defined, the  
159 amount of the tax levied and imposed by this act shall be equal  
160 to the gross income received or derived from such business  
161 during the tax year, multiplied by a rate of one-twentieth of  
162 one per cent ( $\frac{1}{20}\%$ ).

163 For the purpose of this subsection, a "trader" shall mean a per-  
164 son, partnership or corporation, other than a jobber, wholesaler  
165 or retailer, who deals in the purchase of personal property

166 on his or its own account, for the purpose of resale and gain,  
167 including dealers, speculators and traders on boards of trade  
168 and/or exchange boards.

169 (k) For the privilege of engaging or continuing in  
170 the business of rendering general service of any character,  
171 the amount of such tax to be equal to the gross income received  
172 from such business, multiplied by a rate of one per cent (1%).

173 (l) For the privilege of engaging or continuing in the  
174 business of wholesaling and jobbing, the amount of such  
175 tax to be equal to the total gross income from all sales  
176 within the state of Iowa, multiplied by a rate of one-fourth of  
177 one per cent ( $\frac{1}{4}\%$ ). No tax shall be imposed upon the  
178 wholesaling by any Iowa manufacturer, or articles or  
179 commodities produced by such manufacturer. The term  
180 "wholesaling" shall include all taxpayers doing a  
181 regularly organized wholesale business known to the  
182 trade as such, selling only to registered retail  
183 merchants or jobbers.

184 (m) For the privilege of engaging or continuing in the  
185 business of mine-operating, the amount of such tax to be equal  
186 to the total gross income from all sales within the state of  
187 Iowa, multiplied by a rate of one-fourth of one per cent ( $\frac{1}{4}\%$ ).

188 (n) For the privilege of engaging or continuing  
189 in, or transacting any business within this state, other  
190 than those businesses included in the preceding  
191 subdivisions of this section, the amount of tax levied

192 and imposed by this act, shall be equal to the gross  
193 income derived from such business, multiplied by a  
194 rate of one-half of one per cent ( $\frac{1}{2}\%$ ).

195 (o) The board shall prescribe equitable and  
196 uniform rules for the interpretation of this section  
197 and of this act, for the purpose of ascertaining values,  
198 and for the purpose of classifying taxpayers and  
199 businesses in the administration of this act.

200 (p) No tax shall be imposed upon any agent where the  
201 principal of such agent is taxed upon the privilege of  
202 receiving the same income, or for transacting the same  
203 business.

204 (q) The gross income of any corporation once in-  
205 cluded in computing the tax due hereunder shall not  
206 again be included as taxable gross income when distributed  
207 in the form of interest, dividends, rental, or otherwise,  
208 to affiliated corporations, ninety per cent (90%) of the stock  
209 of which is owned directly or indirectly by one parent  
210 corporation, and under rules and regulations to be adopted by  
211 the board a consolidated return may be filed by such parent  
212 corporation for all of its affiliated corporations.

1 Sec. 3. Exempted corporations and organizations.

2 The following organizations and corporations shall be  
3 exempt from taxation under this act:

4 (a) All state, national, cooperative and savings  
5 banks, title insurance and trust companies, building and

6 loan associations, domestic corporations operating under the  
7 provisions of chapter three hundred ninety-two (392), code, 1931,  
8 insurance companies, and/or insurance associations, fraternal  
9 beneficiary associations, now or hereafter organized or  
10 incorporated by or under the laws of this state or  
11 lawfully operating in the state of Iowa.

12 (b) Cemetery corporations, organizations and  
13 associations, and corporations organized for religious,  
14 charitable, scientific, or educational purposes, or for  
15 the prevention of cruelty to children or animals, no  
16 part of the net earnings of which inures to the benefit  
17 of any private stockholder or individual.

18 (c) Business leagues, chambers of commerce, labor  
19 unions and auxiliary organizations, or boards of trade  
20 not organized for profit, and no part of the net  
21 earnings of which inures to the benefit of any private  
22 stockholder or individual, agricultural fairs, live stock and/or  
23 poultry shows.

24 (d) Civic leagues or organizations not organized  
25 for profit, but operated exclusively for the promotion  
26 of social welfare.

27 (e) Clubs, organizations or associations organized  
28 and operated exclusively for pleasure, recreation, and  
29 other non-profitable purposes, no part of the net  
30 earnings of which inures to the benefit of any private  
31 stockholder or member.

32 (f) Cooperative organizations not conducted for  
33 the profit of the organization, where the entire gross  
34 income from its transactions, not used for the payment  
35 of its expenses or reserved for losses or reserved in  
36 compliance with the statutory requirements, accrues  
37 to its members on the basis of their patronage.

38 (g) Credit unions organized under the provisions of  
39 chapter four hundred sixteen-A one (416-A 1), code, 1931.

1 Sec. 4. Exemptions. There are hereby specifically  
2 exempted from the provisions of this act, and from the  
3 computation of the amount of tax imposed by it, the following:

4 (a) The proceeds of life insurance premiums and  
5 contracts paid upon the death of the insured, or policy loans and  
6 cash surrenders made thereunder.

7 (b) The return of premiums paid under life, endowment  
8 or annuity contracts, either during the term or at the termination  
9 thereof, or upon the surrender of such contract.

10 (c) The acquisition by gift, bequest, devise or inheritance  
11 of any property or money, but not the income therefrom.

12 (d) The net proceeds of the sale of livestock  
13 and/or grain produced outside this state when shipped  
14 or delivered from outside the state, directly to and  
15 sold by nonresident owners at public markets within this state.

16 (e) The receipt of compensation through an  
17 accident or health insurance policy, or under the "workmen's  
18 compensation act," for personal injury or sickness, or receipt

19 of money from compensation for damages either recovered  
20 by suit or agreement.

21 (f) The receipt of interest on obligations of the  
22 United States or of the state of Iowa, or any subdivision  
23 thereunder, or interest upon securities issued under the  
24 provisions of federal law where such interest is exempted  
25 from taxation by the laws of the United States and of this state.

26 (g) Salaries, wages or other compensation received  
27 from the United States by office or employment thereof  
28 and pensions and compensation received from the United  
29 States where the same is especially exempted from taxation by law.

30 (h) The business of banking as defined by the laws  
31 of the state of Iowa.

32 (i) The borrowing of money.

33 (j) Engaging in the transportation of persons or goods  
34 as a motor carrier under the provisions of chapter two hundred  
35 fifty-two-A one (252-A 1), code, 1931, which is now subject to  
36 the payment of a privilege tax computed on a rate per ton mile.

1 Sec. 5. Deductions. There is hereby allowed a deduction  
2 of three dollars per annum from the total annual tax imposed  
3 against each taxpayer by this act. And in the event no tax  
4 beyond such deduction is due, then no return shall be required  
5 from such taxpayer.

1 Sec. 6. Payment—Installments. The taxes levied hereunder  
2 for each tax year shall be payable in quarterly installments on  
3 or before the expiration of thirty (30) days from the end

4 of the quarters in which the tax accrues. The taxpayer  
5 shall, within thirty (30) days from the expiration of each  
6 quarter, make out a quarterly report of his gross income for  
7 such quarterly period and an estimate of the tax for which  
8 he is liable for such quarter, upon the forms provided for in  
9 section nine (9), of this act, and mail or deliver the same  
10 together with a remittance for the amount of the tax, to the  
11 office of the county treasurer of the county where the tax is  
12 payable. The amount of the tax due and payable at the end  
13 of any quarter shall be arrived at by considering the amount  
14 of the gross income of the business during the portion of the  
15 tax year ending with such quarter, and applying to the gross  
16 income of the business for such quarter the rates which are  
17 applicable thereto under the provisions of this act. Provided,  
18 however, that where the tax any taxpayer is liable for under  
19 this act shall exceed an average of ten dollars per month,  
20 such taxpayer shall be permitted to make monthly payments,  
21 and the board may, in their discretion, where the tax liability  
22 of the taxpayer is in excess of the monthly average of ten  
23 dollars require monthly report, estimates and payments.

1     Sec. 7. Registration. Every person and corporation  
2 who is made subject to the payment of a tax under the provisions  
3 of this act, in excess of deduction named in section five (5)  
4 hereof, shall on or before the first day of July of each year  
5 register as a taxpayer under this act, with the board,  
6 which registration may be made by letter giving the name,

7 place of residence, business, and place or places of business of the  
8 taxpayer so registering and the name of the county in which  
9 the tax will be paid, which shall be either the county of the  
10 taxpayer's residence or his principal place of business,  
11 or in case of nonresidents the office of the state  
12 treasurer, Des Moines, Iowa. Such registration shall  
13 be a prerequisite to the privilege of doing business  
14 in the state of Iowa, and any person or corporation,  
15 who neglects or refuses to register as required by  
16 this act, or who, having registered, refuses or  
17 neglects to pay the tax herein imposed, or otherwise  
18 to comply with the requirements of this act shall be  
19 denied the privilege of doing business in this state.  
20 Taxpayers shall at the request of the board also supply such other  
21 and further information as may be reasonably necessary for the  
22 purpose of maintaining a roster of taxpayers. The board shall  
23 have authority to require every assessor to furnish to the  
24 county auditor a list of all taxpayers in his assessing district  
25 subject to tax under this law.

1 Sec. 8. Returns. On or before thirty (30) days  
2 after the end of the tax year each taxpayer  
3 liable for the payment of a tax under section two (2) of this  
4 act shall make a return showing the gross proceeds of sales  
5 or gross income of business and compute the amount of tax  
6 chargeable against such taxpayer in accordance with the  
7 provisions of this act, and deduct the amount of quarterly and/or

8 monthly payments, as hereinbefore provided for, if any, and  
9 transmit with such report a remittance  
10 covering the residue of the tax chargeable  
11 against him, to the office of the county treasurer; such  
12 return shall be verified by the oath of the taxpayer, if  
13 made by an individual, or by the oath of the president,  
14 vice president, secretary or treasurer of a corporation  
15 if made on behalf of a corporation. If made on behalf  
16 of a partnership, or any other group or combination acting  
17 as a unit, any individual delegated by such copartnership  
18 or any other group or combination acting as a unit shall  
19 make the oath on behalf of the taxpayer. If for any reason  
20 it is not practicable for the individual taxpayer to make the  
21 oath, the same may be made by any duly authorized agent. The  
22 board, for good cause shown, may extend the time for making  
23 the annual return on the application of any taxpayer and  
24 grant such reasonable additional time within which to make  
25 the same as may, by it, be deemed advisable.

26 (b) Any taxpayer engaging or continuing during  
27 the whole or any part of the tax year in two or more  
28 kinds or classes of business as classified in this  
29 act, when making returns pursuant to the provisions  
30 of this act, shall in such returns segregate the  
31 respective portions of gross income derived from  
32 each kind or class of business.

33 (c) Every employer is hereby required to report

34 the names and addresses of every person in his  
35 employ who receives a wage or salary and the amount of such  
36 wage or salary together with the frequency of payment. This  
37 report shall accompany the annual return of the employer  
38 as to his own income.

39 (d) The county treasurer shall within ten days after  
40 receipt thereof, forward all quarterly estimates and annual  
41 reports and returns to the office of the board together with a  
42 statement of and a receipt for the amount of tax payments  
43 received. The board shall, promptly, audit all returns.

44 Sec. 9. The board shall cause suitable forms and  
45 blanks to be prepared for all estimates, returns,  
46 registrations and reports required by the provisions  
47 of this act, and upon request shall furnish the same  
48 to any taxpayer or person required to use the same.  
49 All estimates, returns, registrations and reports shall  
50 be made upon forms and blanks prepared and furnished  
51 by the board.

1 Sec. 10. Errors. If a taxpayer shall make any  
2 error in computing the tax assessable against him, the  
3 board shall correct such error or reassess the proper  
4 amount of taxes and notify the taxpayer of its action  
5 by mailing to him promptly a copy of the corrected  
6 assessment. Any additional taxes for which such  
7 taxpayer may be liable, shall be paid to the treasurer  
8 within ten days after the receipt of such notice.

9 If a refund is due, the board shall cause payment of  
10 the same to be made to the taxpayer in the manner  
11 hereinafter provided.

1 Sec. 11. Faulty Assessment. Procedure. If any  
2 taxpayer having made the return provided for by this act,  
3 feels aggrieved by the assessment made upon him by the  
4 board, he may apply to the board by petition, in writing,  
5 within thirty (30) days after notice is mailed to him by the  
6 board, for a hearing and a correction of the amount of  
7 the tax so assessed upon him by the board, in which  
8 petition shall be set forth the reasons why such hearings  
9 should be granted and why the amount of such tax should  
10 be reduced. The board shall promptly consider such  
11 petition, and may grant such hearing or deny the same.  
12 If denied, the petitioner shall be forthwith notified  
13 thereof; if granted, the board shall notify the  
14 petitioner of the time and place fixed for such hearing.  
15 After such hearing, the board shall make such order in the  
16 matter as may appear to it just and lawful, and shall  
17 give notice by furnishing a copy of such order to the  
18 petitioner.

1 Sec. 12. Returns. Failure to Make or Correct.  
2 If any taxpayer fails or refuses to make a return or to  
3 correct an untrue return, the board shall proceed, in  
4 such manner as to it may seem best, to obtain facts and  
5 information on which to base the assessment of the

6 tax levied by this act; and to this end may, by itself  
7 or its duly appointed agent, make examination of the  
8 books, records and papers of any such taxpayer, and may  
9 take the testimony on oath of any person who it may  
10 believe shall be in possession of facts or information  
11 pertinent to the subject of inquiry, which oath any  
12 member of the board, or the agent so appointed by it,  
13 may administer. As soon as possible after procuring  
14 such information <sup>1</sup> as it may be able to obtain with respect  
15 to any such taxpayer, the board shall proceed to assess  
16 the tax against such taxpayer, and shall notify him of  
17 the amount thereof. Such determination shall finally  
18 and irrevocably fix the tax unless the person against  
19 whom it is assessed shall, within thirty (30) days after the  
20 giving of notice of such determination, apply to the  
21 board for a hearing or unless the board of its own  
22 motion shall reduce the same. At such hearing evidence  
23 may be offered to support such determination or to prove  
24 that it is incorrect. After such hearing the board shall  
25 give notice of its decision to the taxpayer liable for the  
26 tax.

1 Sec. 13. Appeals. (a) An appeal may be taken by the taxpayer  
2 to the district court of the county in which he resides, or in  
3 which his principal place of business is located, within  
4 sixty (60) days after he shall have received notice from the  
5 board of its order made under the provisions of any of

6 the two preceding sections.

7 (b) The appeal shall be taken by a written notice  
8 to the chairman of the board and served as an original  
9 notice. When said notice is so served it shall, with  
10 the return thereon, be filed in the office of the clerk of  
11 said district court, and docketed as other cases, with the  
12 taxpayer as plaintiff and the board as defendant. The  
13 plaintiff shall file with such clerk a bond for the use  
14 of the defendant, with sureties approved by such clerk,  
15 in penalty at least double the amount of tax appealed from,  
16 and in no case shall the bond be less than \$50.00,  
17 conditioned that the plaintiff shall perform the orders  
18 of the court.

19 (c) The court shall hear the appeal in equity and  
20 determine anew all questions submitted to it on appeal  
21 from the determination of the board. The court shall  
22 render its decree thereon and a certified copy of said  
23 decree shall be filed by the clerk of said court with the  
24 board who shall then correct the assessment in accordance  
25 with said decree. An appeal may be taken by the taxpayer  
26 or the board to the supreme court of this state in the  
27 same manner that appeals are taken in suits in equity,  
28 irrespective of the amount involved.

1 Sec. 14. No injunction to restrain or decree any  
2 taxes claimed by the board to be due, shall be issued  
3 by any court, but in all cases in which, for any reason

4 it shall be claimed that any tax about to be collected  
5 is wrongful or illegal in whole or in part, the remedy,  
6 except as otherwise expressly provided by this act, shall  
7 be by appeal to the district court, as provided in the  
8 preceding section.

1     Sec. 15. Tax a Lien. The tax imposed by this act shall  
2 be a lien upon the property of any person subject to the  
3 provisions hereof who shall sell out his business or stock  
4 of goods, or shall quit business, and such person shall be  
5 required to make the return provided for under section eight (8)  
6 within thirty (30) days after the date he sold out his business or stock  
7 of goods, or quit business, and his successor in business  
8 shall be required to withhold sufficient of the purchase  
9 money to cover the amount of said taxes due and unpaid,  
10 until such time as the former owner shall produce a  
11 receipt from the state board of assessment and review  
12 showing that the taxes have been paid. If the purchaser  
13 of a business or stock of goods shall fail to withhold  
14 purchase money as above provided and the taxes shall be due  
15 and unpaid after the thirty (30) day period allowed, he shall  
16 be personally liable for the payment of the taxes accrued  
17 and unpaid on account of the operation of the business by  
18 the former owner. Every person receiving the proceeds of  
19 sale at any public sale of personal property, either as clerk  
20 of such sale, auctioneer or public officer, shall deduct  
21 from the proceeds received from such sale, the amount of

22 the taxes due under the provisions of this act, and  
23 forthwith remit the same to the county treasurer, otherwise  
24 he shall be personally liable therefor.

1     Sec. 16. Delinquency—Penalty. A tax due and unpaid  
2 under this act shall constitute a debt due the state and  
3 may be collected by action in the proper court for judgment,  
4 or other appropriate judicial proceedings, which remedy shall  
5 be in addition to all other existing remedies, and upon  
6 the filing of a notice of lien with the county recorder  
7 of the proper county, it shall constitute a lien upon all  
8 the property of the taxpayer and the same shall be collected  
9 by distress and sale by the county treasurer, as other taxes  
10 are collected, together with an additional five per cent (5%) of  
11 the amount of the tax, and the costs of collection, if paid  
12 within thirty (30) days after the date it was due, and an  
13 additional two per cent (2%) of the amount of the tax for each  
14 succeeding thirty (30) days elapsing before the tax shall have  
15 been paid; provided, however, that the additional two  
16 per cent (2%) penalty shall not be applied until a ten-day  
17 notice of delinquency shall have been sent to the taxpayer.

1     Sec. 17. Tax Year. The assessment of taxes herein  
2 made and the returns required therefor shall be for the  
3 year ending on the thirty-first day of December; provided,  
4 however, that if the taxpayer in transacting his business,  
5 keeps the books reflecting the same on a basis other than  
6 the calendar year, he may, with the assent of the state

7 board of assessment and review, make his annual returns  
8 and pay taxes for the year covering his accounting period,  
9 as shown by the method of keeping the books of his business.

1 Sec. 18. Privilege Tax. The tax imposed by this  
2 act shall be in addition to all other licenses and taxes  
3 levied by law as a condition precedent to engaging in any  
4 business taxable hereunder, except as in this act otherwise  
5 specifically provided.

6 All remittances of taxes and fees imposed by this  
7 act shall be made to the county treasurer, and all such  
8 remittances shall be made payable to him. The county  
9 treasurer shall issue his receipts therefor to the  
10 taxpayer, and shall keep all such moneys received by  
11 him in a special fund to be known as the "state tax  
12 fund", to be distributed quarterly upon order of the  
13 board as provided in section eighteen (18) of this act.

1 Sec. 19. False Return—Penalty. It shall be  
2 unlawful for any person to refuse to make the return  
3 provided to be made in sections eight (8) and seventeen  
4 (17) of this act; or to make any false or fraudulent  
5 return or false statement in any return, with intent  
6 to defraud the state or to evade the payment of the tax,  
7 or any part thereof, imposed by this act; or for any  
8 person to aid or abet another in any attempt to evade  
9 the payment of the tax, or any part thereof, imposed by  
10 this act; or for the president, vice-president, secretary

11 or treasurer of any company to make or permit to be made  
12 for any company or association any false return, or any  
13 false statement in any return required in this act, with  
14 the intent to evade the payment of any tax hereunder,  
15 and any person violating any of the provisions of this  
16 section shall be guilty of a misdemeanor and conviction  
17 thereof, shall be fined not more than \$1,000.00  
18 or imprisoned not exceeding one year in the  
19 county jail or punished by both fine and imprisonment,  
20 at the discretion of the court, within the limitations  
21 aforesaid. In addition to the foregoing penalties, any  
22 person who shall knowingly swear to or verify any false  
23 or fraudulent return, or any return containing any false  
24 or fraudulent statement, with the intent aforesaid, shall  
25 be guilty of the offense of perjury and, on conviction  
26 thereof, shall be punished in the manner provided by  
27 law. Any company for which a false return or a return  
28 containing a false statement as aforesaid shall be  
29 punished by a fine of not more than \$1,000.00.

1 Sec. 20. Administration. The administration of  
2 this act is vested in and shall be exercised by the  
3 board who shall prescribe forms and reasonable rules  
4 of procedure in conformity with this act for making  
5 of returns and for the ascertainment, assessment and  
6 collection of the taxes imposed hereunder; and the  
7 enforcement of any of the provisions of this act in

8 any of the courts of the state shall be under the  
9 jurisdiction of the board, which may require the  
10 assistance of and act through the county attorney of  
11 any county: but the county attorney of  
12 any county shall receive no fees of compensation for  
13 services rendered in enforcing this act in addition  
14 to the salary paid by the county to such officer.

15 The county treasurer of each county of the  
16 state is hereby designated the representative of the  
17 board in each county; additional clerical assistance  
18 required by him in carrying out the provisions of this  
19 act, or orders of the board in compliance therewith,  
20 shall be paid out of funds provided for its enforcement  
21 and administration. The board shall have power to  
22 require other county or state officers to furnish  
23 information or perform acts or duties to assist in the  
24 administration of this act, the nature of which is  
25 within the scope of their official duties.

26 There is hereby appropriated out of the revenue  
27 derived from this act, not to exceed three per cent (3%) of the  
28 revenue derived therefrom for the expenses incurred by the  
29 board in carrying out of its provisions.

1 Sec. 21. General Allocation of Revenues. All revenues arising  
2 under the operation of this act and carried by the treasurer of  
3 state in the special tax fund shall be apportioned as  
4 follows:

5 (a) Three per cent (3%) of said fund shall be  
6 transferred to the general fund of the state as the same  
7 is collected.

8 (b) The balance of said fund shall be distributed from  
9 time to time upon order of the board in accordance with  
10 the provisions of this act, on warrants drawn by the  
11 comptroller upon direction of the board and made payable  
12 to the county treasurer of the several counties of the  
13 state.

1 Sec. 22. Ratio and manner of distribution. (a) The  
2 revenue distributable under paragraph two (2) of the preceding  
3 section of this act shall be allocated each year to the  
4 several counties of the state in the same proportion that  
5 the assessed valuation of the taxable real and tangible  
6 personal property in that county for the next preceding tax  
7 years bears to the assessed valuation of the total taxable  
8 real and tangible personal property in the state for the  
9 next preceding tax year.

10 (b) On August 1, 1934, and annually thereafter, the  
11 board shall certify to the county treasurer of each county  
12 in the state, the total amount of the money which has been  
13 apportioned and, or is then apportionable to that county.

14 (c) The county treasurer shall then apply the amount  
15 so apportioned to the relief of the several property tax-  
16 payers of that county by entering a credit against the  
17 second installment of the tax bill of each such taxpayer,

18 being the tax bill of the next preceding tax year, due and  
19 payable in the current year, the amount of such credit to  
20 be determined by the proportion which the assessed valuation  
21 of such taxpayer's taxable real and tangible personal  
22 property for the next preceding tax year bears to the total  
23 assessed valuation of taxable real and tangible personal  
24 property in that county for the next preceding tax year.  
25 The amount of money so credited shall be apportioned by  
26 the county treasurer to the various taxing districts of  
27 said county the same as though the amount thereof had been  
28 paid to the treasurer of said county by the taxpayers of  
29 said taxing district. In the event that such  
30 property taxpayer has paid both installments of the tax  
31 at the time the first installment was due and payable, the  
32 county treasurer shall at the same time that he enters  
33 the aforesaid credit, remit to such property taxpayer  
34 the amount of the credit which such taxpayer  
35 would be entitled to receive.

1 Sec. 23. Invalidation. If any clause, sentence,  
2 paragraph, or part of this act shall for any reason be  
3 adjudged by any court of competent jurisdiction to be  
4 invalid, such judgment shall not affect, impair, or  
5 invalidate the remainder of this act, but shall be  
6 confined in its operation to the clause, sentence,  
7 paragraph, or part thereof directly involved in the  
8 controversy in which such judgment shall have been

9 rendered.

1     Sec. 24. Repeal. The tax levied by the provisions  
2 of this act shall not be in lieu of any state license,  
3 excise or other tax imposed or due under the provisions  
4 of any law now in force except as may be herein  
5 specifically provided.

6     All laws or parts of laws inconsistent with the  
7 provisions of this act are hereby repealed.

1     Sec. 25. Emergency Allocation. For the period  
2 of the year 1934 during which the provisions of this  
3 act shall be in effect the revenues derived herefrom  
4 shall be allocated as provided in section eighteen (18). From  
5 the second installment of property taxes collectible  
6 before October 1, 1934, the treasurers of the various  
7 counties of the state shall deduct that portion of  
8 the second installment which is levied on behalf  
9 of the state. From the levies imposed by the county,  
10 he shall deduct an amount which would be raised by a  
11 levy of one-third of one mill on the taxable value  
12 of the property and from the levies for the benefit  
13 of the various school corporations of the county, he  
14 shall deduct that proportion which the amount the  
15 board has allocated to the school corporation bears  
16 to the total budget of such school corporation for the  
17 year for which such taxes were levied.

1     Sec. 26. Publication Clause. This act, being

2 deemed of immediate importance, shall be in full force  
3 and effect after its passage and publication in the  
4 Keokuk County News, a newspaper published at Sigourney,  
5 Iowa, and in the West Liberty Index, a newspaper published  
6 at West Liberty, Iowa.