

March 15, 1963.

Passed on File. *on Calendar 3/28* By IOWA DEVELOPMENT COMMITTEE.

Senate File 392

Passed Senate, Date.....*4/11/63*

Passed House, Date.....*5-17-63*

Vote: Ayes.....*42* Nays.....*2*

Vote: Ayes.....*89* Nays.....*0*

Approved.....

Supporting Committee 4/18

A BILL FOR

An Act to exempt personal property in transit from taxation.

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

1 Section 1. Section four hundred twenty-seven point one
2 (427.1), Code 1962, is hereby amended by adding thereto the
3 following new subsection:

4 "All personal property in transit."

1 Sec. 2. Chapter four hundred twenty-seven (427), Code 1962,
2 is hereby amended by adding thereto the following new sections:

3 1. "When used in this chapter, the term 'personal property
4 in transit' means personal property, goods, wares and merchandise:

5 (a) Which is moving in interstate commerce through or over the
6 state of Iowa, or

7 (b) Which was consigned to a warehouse, public or private, with-
8 in the state of Iowa from outside the state of Iowa for storage
9 in transit to a final destination outside the state of Iowa,
10 whether specified when transportation begins or afterward.

11 'Personal property in transit' is deemed to have acquired no
12 situs in Iowa for purposes of taxation. Such 'personal property
13 in transit' shall not be deprived of exemption because it is
14 assembled, bound, joined, processed, disassembled, divided, cut,
15 broken in bulk, relabeled or repackaged while in the warehouse
16 or because the property is being held for resale to customers
17 outside the state of Iowa.

18 2. a. "All personal property claimed to be 'personal proper-
19 ty in transit' shall be designated as such upon the books and
20 records of the warehouse where such personal property is located.

21 b. The books and records of the warehouse shall contain a
22 full, true, and correct inventory of all such property, together
23 with the date of the receipt of such property, the date it is to
24 be removed, the point of origin of such property and the point
25 of ultimate destination if known.

26 c. The books and records of any warehouse in which 'personal
27 property in transit' is stored shall be open at all times to the
28 inspection of authorized personnel of the state tax commission
29 and the taxing authorities of any political subdivision of the
30 state of Iowa.

31 3. "Any person, firm, co-partnership, association, or corpo-
32 ration making claim to no situs status of any property under this
33 chapter, shall do so in the form and manner prescribed by the
34 state tax commission. All such claims shall be accompanied by a
35 certification of the warehouse company as to the status on its
36 books of the property involved.

37 4. "If any 'personal property in transit' is reconsigned to a
38 final destination in the state of Iowa, the warehouseman shall
39 file a monthly report with the county assessor of the county in
40 which the warehouse is located. The report shall be in the form
41 and manner prescribed by the state tax commission. All such
42 property so reconsigned shall be assessed and taxed.

43 5. "If any owner, shipper or his agent shall by misrepresen-
44 tation or concealment evade the assessment or the levy of taxes
45 on property not defined to be 'personal property in transit', he

46 shall be liable in the sum of the taxes evaded which would other-
47 wise have been levied against such property. The sum due shall
48 be collected in a civil action by the assessor of the county.

49 The judgment, when entered, shall include costs and reasonable
50 attorney fees.

51 6. "If any person willfully delivers any statement to the
52 officer charged with assessment of property for tax purposes in
53 his county containing a false statement of a material fact,
54 whether he is the owner, shipper, agent, or a storageman or ware-
55 houseman, he shall be guilty of a misdemeanor and upon conviction
56 shall be punished by a fine of not less than one hundred (100)
57 dollars or more than five hundred (500) dollars or by imprison-
58 ment in the county jail for not less than ten (10) days or more
59 than six (6) months."

58 c. The books and records of any warehouse in which "personal
59 property in transit" is stored shall be open at all times to the
60 inspection of authorized personnel of the state tax commission
61 and the taxing authorities of any political subdivision of the
62 state of Iowa.

63 4. Any person, firm, co-partnership, association, corporation,
64 joint venture, fiduciary, trust or estate making claim to no situs
65 status of any property under this chapter shall do so in the form
66 and manner prescribed by the state tax commission on or before
67 February first of each personal property assessment year. Such
68 claim shall be filed with the assessor or assessors of the district
69 or districts in which such property is situated. All such claims
70 shall be accompanied by a certification of the warehouse operator
71 as to the status on its books of the property involved, and all
72 such claims shall be allowed in accordance with the decision of
73 the board or boards of review of such taxing district or districts
74 in which the property is situated.

75 5. Where the records of the warehouse indicate, or where an
76 audit of such records indicates, as the case may be, that goods
77 handled by or disposed of through such warehouse with a destination
78 within the state of Iowa, the total market value of such goods with
79 such destination shall be taken into account in determination of
80 their actual value in accordance with sections four hundred twenty-
81 eight point seventeen (428.17) and four hundred twenty-eight point
82 twenty-one (428.21) of the Code, and such actual value shall be
83 the basis for determining the assessed valuation of merchandise
84 inventory of the warehouse for the year next following the year
85 for which such total market value is computed.

86 6. If any owner, shipper, warehouse operator, or the agent or
87 employee of any owner, shipper, or warehouse operator shall mis-
88 represent, conceal or secrete any personal property as defined
89 herein of which he is possessed either by title or by custody so
90 as to evade or avoid assessment or levy of taxes, then such owner,
91 shipper, or warehouse operator shall be liable to the taxing dis-
92 trict in which the personal property is located at the time of
93 such misrepresentation, concealment or secreting of such personal
94 property for such assessment or levy of taxes so evaded or avoided
95 plus a penalty of five per cent (5%) for each month of such evasion
96 or avoidance up to a maximum of twenty-five per cent (25%) plus
97 interest on the amount of such assessment or levy of taxes at the
98 rate of six per cent (6%) per annum.

99 7. If any person wilfully makes or causes to be made any
100 statement to the officer charged with assessment or valuation of
101 property for tax purposes in his taxing district containing a
102 false statement of a material fact, be he owner, shipper, storage-
103 man or warehouseman, he shall be guilty of a misdemeanor and upon
104 conviction shall be punished by a fine of not less than one hundred
105 (100) dollars or more than five hundred (500) dollars or by imprison-
106 ment in the county jail for not less than thirty (30) days or more
107 than one hundred fifty (150) days."

Filed
April 5, 1963.

By CURRAN.

SENATE FILE 392

1 Senate File 392 is amended by striking all after the enact-
2 ing clause and inserting in lieu thereof the following:

3 "Section 1. Section four hundred twenty-seven point one
4 (427.1), Code 1962, is hereby amended by adding thereto the
5 following new subsection:

6 'All personal property in transit.'

7 "Sec. 2. Chapter four hundred twenty-seven (427), Code
8 1962, is hereby amended by adding thereto the following new
9 sections:

10 1. 'When used in this chapter, the term "personal property
11 in transit" means inanimate tangible personal property, goods,
12 wares and merchandise:

13 (a) Which is moving in interstate commerce through or over
14 the state of Iowa, or

15 (b) Which is consigned to a private warehouse within the
16 state of Iowa from outside the state of Iowa for storage in
17 transit to a final destination outside the state of Iowa,
18 whether the out-of-state ultimate designation was specified
19 when transportation begins or afterward.

20 2. a. "Private warehouse", for the purposes of this chapter,
21 shall mean any building, structure, or inclosure used or to be
22 used for storage of inanimate tangible goods, wares or merchan-
23 dise by and belonging to private person, partnership, joint venture,
24 corporation, fiduciary, trust or estate.

25 b. "Personal property in transit" is deemed to have acquired
26 no situs in Iowa for purposes of taxation. Such "personal
27 property in transit" shall not be deprived of exemption because
28 it is, or may be, bound, divided, severed, broken in bulk,
29 labeled or relabeled, packaged or repackaged while in the ware-
30 house or because the property is being held for reconignment
31 outside the state of Iowa.

32 3. a. 'All personal property claimed to be "personal property
33 in transit" shall be designated as such upon the books and records
34 of the warehouse where such personal property is located.

35 b. The books and records of the warehouse shall be of such
36 nature as to show a description of the property, the quantity,
37 value and source of each shipment received and a description of
38 the property, the quantity, value and destination of all goods
39 taken from the warehouse, with each such receipt or release of
40 such goods dated and described. Such records shall be trans-
41 mitted to the assessor or assessors of the taxing district or
42 districts in which the warehouse is located for examination and
43 verification and at such time show a recapitulation which must
44 reveal that all shipments (or parts thereof) received are either
45 on hand or disposed of by delivery or destruction and, if by
46 destruction, by what means destroyed or partially destroyed, and
47 if partially destroyed, then what disposition was affected. The
48 annual date of such transmittal of such records shall be not
49 later than February first of each year and shall cover the annual
50 accounting period of the warehouse as established on its books
51 and records for all purposes which period has concluded prior to
52 January first of each year. Such other reports as may be required
53 by assessors on a periodic basis may be transmitted in form of a
54 written report or in form of copies of bills of lading counter-
55 signed by the consignee or his agent containing the factors first
56 enumerated above, as mutually agreed upon by the assessor, or
57 assessors, and operator of the warehouse.

filed 4/5
Curran
accepted 4/11