February 6, 1967
Passed on File
Ways and Means 2-7

Senate File 162

By REICHARDT, ELVERS, WALSH, BUREN, HAGEDORN, RENO, SHAFF, FLOY, HOUGEN, LAMBORN, POTGETER, SCHABEN, STEPHENS, SHIRLEY, McGILL, FLATT, KRUCK and CLARKE

Passed Senate, Date_____ Passed House, Date_____

Vote: Ayes_____ Nays_____ Vote: Ayes_____ Nays_____

Approved_____

A BILL FOR

An Act to provide a credit on the tax on livestock, the tax on inventories of property intended for sale, the tax on household goods and articles of personal apparel or adornment and to levy an additional sales tax to provide funds therefor.

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

1 Section 1. Section four hundred forty-four point three
2 (444.3), Code 1966, is amended by adding at the end thereof
3 the following:
4 "Provided, further, that after the personal property tax for
5 each taxpayer is computed there shall be given a credit, begin-
6 ning with the tax payable in 1968, to the taxpayer of an amount
7 equal to: (1) The tax, if any, levied on all tangible personal
8 property customarily located and used in or about the private
9 residence or residences of the owner of said property, every-
10 thing used in a private home as household goods, musical instru-
11 ments, articles of apparel, adornment and food; (2) The tax,
12 if any, on horses, cattle, mules and asses over one year of age
13 and sheep and swine over nine months of age; (3) The tax on
14 all inventories of personal property intended for ultimate sale
15 or resale, with or without additional processing, manufacturing,
16 fabricating, compunding or servicing.
17 "Provided, further, that beginning with the year 1969 there
18 shall be credited to the taxpayer an amount equal to twenty per-

19 cent of the tax on all other personal property not designated
20 above and an additional credit of twenty percent in each year
21 thereafter until the taxpayer is given a credit on the whole
22 amount of said tax. Said one hundred percent credit shall con-
23 tinue thereafter."

1 Sec. 2. Section four hundred twenty-seven point thirteen
2 (427.13), Code 1966, is amended by striking all of subsection
3 ten (10).

1 Sec. 3. Section four hundred forty-one point twenty-one
2 (441.21), Code 1966, is amended as follows:
3 1. Strike from line three (3) the word "sixty" and insert
4 in lieu thereof the word "twenty-seven".
5 2. Strike from line eight (8) the words "one and two-thirds"
6 and insert in lieu thereof the figures "3.7037".
7 3. Add at the end of the first paragraph a new sentence as
8 follows: "For the purpose of debt limit as specified in Article
9 eleven (XI), section three (3) of the Constitution and Code
10 sections two hundred ninety-six point one (296.1) and four
11 hundred seven point one (407.1) the actual value as shown by
12 the tax lists shall be considered to be two and eight tenths
13 times the assessed value obtained as hereinabove provided."

1 Sec. 4. There is hereby created in each county a "County
2 Personal Property Tax Credit Fund." The county auditor shall,
3 on or before August 1 each year, certify to the county treasurer
4 all credits to be given the following year to each taxpayer on
5 personal property taxes. Such certificate shall list the name
6 of the taxpayer, the description of the personal property taxed
7 on which credit is to be given and the amount of the credit.
8 The county treasurer shall forthwith certify to the state tax
9 commission the amount of the taxes on which credit is to be
10 given. The state tax commission shall certify said amount to
11 the state comptroller who shall draw warrants on the general
12 fund of the state, to the treasurer of each county, payable to
13 the county personal property tax credit fund. There is hereby

14 appropriated from the general fund an amount to pay said
15 warrants.

1 Sec. 5. Section four hundred twenty-two point forty-three
2 (422.43), Code 1966, is amended by striking from line three (3)
3 the word "two" and inserting in lieu thereof the word "three".
4 Further amend said section by striking from line twenty-
5 three (23) the word "two" and inserting in lieu thereof the
6 word "three".

1 Sec. 6. Section four hundred twenty-three point two (423.2),
2 Code 1966, is amended by striking from line five (5) the word
3 "two" and inserting in lieu thereof the word "three".

Amend Senate File 162 as follows:

1. Amend the title by inserting in line four ~~(4) after~~ the word "therefor" the words "to provide a sales tax deduction or refund".

Reichardt 2-23-67

2. Amend by adding the following new section:

"Sec. 7. Section four hundred twenty-two point twelve (422.12), Code 1966, is hereby amended by adding the following new subsection:

"A sales tax deduction or refund if such deduction exceeds the tax liability shall be given for each person or dependent as defined in subsections one (1), two (2), and three (3) of this section based upon the net income of a single person, head of household, or combined income of husband and wife in the following manner:

"With a net income of:	Tax deduction or refund:
"Fifteen hundred (1500) dollars but less than three thousand (3000) dollars.	Twelve (12) dollars per person.
"Three thousand (3000) dollars but less than four thousand (4000) dollars.	Nine (9) dollars per person.
"Four thousand (4000) dollars but less than five thousand (5000) dollars.	Six (6) dollars per person.
"Five thousand (5000) dollars but less than six thousand (6000) dollars.	Three (3) dollars per person.
"Six thousand (6000) dollars and over.	No tax deduction.

"When a dependent files his own return and claims his own exemption and when a taxpayer is entitled to claim a dependency deduction for such dependent, the dependent shall not be entitled to claim the sales tax deduction or the refund that might result from the benefit of such deduction. The taxpayer entitled to claim the dependency deduction shall be accorded the sales tax deduction or refund resulting from such deduction in accordance with the aforementioned requirements of this subsection."

Filed
February 23, 1967

By REICHARDT

Amend Senate File 162 by adding the following new sections:

"Sec. 7. There is hereby created a fund in the office of the treasurer of state under the name 'collections of local sales taxes' and all local sales and use tax funds collected by the state tax commission shall be paid into the state treasury and credited to the fund herein created. Local sales and use tax moneys shall be credited to the account of each particular city or county levying a local sales tax under this chapter. The basis of such credit shall be the city or county in which the sales were made as shown by the records of the tax commission and certified by it quarterly to the state comptroller, namely, the city or county of location of each place of business of every dealer paying the tax to the state without regard to the city or county of possible use by the purchasers. If a dealer has any place of business located in more than one political subdivision by reason of the boundary line or lines passing such place of business, the amount of sales tax paid by such a dealer with respect to such place of business shall be treated for the purposes of this section as follows: one-half (1/2) shall be assignable to each political subdivision where two (2) are involved, one-third (1/3) where three (3) are involved, and one-fourth (1/4) where four (4) are involved.

"Sec. 8. The council of any city and the board of supervisors of any county are hereby authorized to levy a tax on one (1) percent upon the gross receipts from all sales of tangible personal property as provided in chapter four hundred twenty-two (422), of the Code, to provide revenue for the general fund of such city or county. Such tax shall be in addition to the rate of the state sales and use tax already imposed under chapters four hundred twenty-two (422) and four hundred twenty-three (423), of the Code, and shall be subject to all the provisions of said chapters and all amendments thereto and the rules and regulations published with respect thereto.

"Sec. 9. The council of any city and the governing body of any county desiring to impose a local sales and use tax under this section, may do so by the adoption of an ordinance stating its purpose and referring to this section, and providing that such ordinance shall be effective on the first day of a month at least sixty (60) days after its adoption. A certified copy of such ordinance shall forthwith be forwarded to the tax commission so that it will be received within five (5) days after its adoption. No local sales tax imposed under this section shall become effective earlier than _____ 1, 1967. Any local sales tax levied under this section shall be administered and collected by the tax commission in the same manner and subject to the same penalties as provided for the state sales and use taxes.

"Sec. 10. As soon as practicable after the local sales tax moneys have been paid into the state treasury for the preceding quarter the state comptroller shall draw his warrant on the treasurer of Iowa in the proper amount in favor of each city or county entitled to the return of its local sales and use tax moneys, and such payments shall be charged to the account of each such city or county under the special fund created by this chapter. If errors are made in any such payment, or adjustments are otherwise necessary, whether attributable to refunds to taxpayers, or to some other fact, the errors shall be corrected and adjustments made in the payment for the next month or for subsequent months.

"Sec. 11. Section four hundred twenty-seven point one (427.1), subsection thirteen (13), Code 1966, is hereby amended by striking all of such subsection after the comma (,) in line ten (10) and inserting in lieu thereof the words 'and all other livestock and fur-bearing animals,' Section four hundred twenty-seven point thirteen (427.13), Code 1966, is hereby amended by repealing subsections two (2) and three (3).

"Sec. 12. Section four hundred twenty-seven point one (427.1), Code 1966, is hereby amended by adding the following subsection:

'Any personal property or stock of merchandise purchased by any person, firm, or under his control within the state, with the authority to sell the same with such personal property or stock of merchandise purchased with a view to its being sold, or which has been consigned to him from any place out of the state to be sold within the same, or to be delivered or shipped by him within or without this state.'"

"Sec. 13. Sections four hundred twenty-eight point sixteen (428.16), four hundred twenty-eight point seventeen (428.17), four hundred twenty-eight point eighteen (428.18), and four hundred twenty-eight point nineteen (428.19), Code 1966, are hereby repealed. Section four hundred twenty point two hundred seven (420.207), Code 1966, is hereby amended by striking from line three (3) the numerals '428.16' and inserting in lieu thereof the numerals 'four hundred twenty-eight point twenty (428.20)'."

"Sec. 14. Section four hundred twenty-seven point one (427.1), subsection fifteen (15), Code 1966, is hereby amended by striking from lines two (2) and three (3) the words 'to the taxable value of three hundred dollars'."

Filed
March 28, 1967 by REICHARDT