

April 28, 1967  
Passed on File

Senate File 774

By COMMITTEE ON WAYS AND MEANS

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

## A BILL FOR

An Act relating to the moneys and credits tax; to establish a four percent surtax; and relating to income tax rates.

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

1 Section 1. Section three hundred ninety-five point  
2 twenty-two (395.22), Code 1966, is hereby amended by inserting  
3 in line nineteen (19) before the word "and" the words "and  
4 all moneyed capital subject to the surtax provided for in  
5 section three (3) of this Act".

1 Sec. 2. Section four hundred twenty point two hundred  
2 four (420.204), Code 1966, is hereby amended as follows:

3 1. By inserting in line two (2) after the word "except"  
4 the words "moneyed capital subject to the surtax provided for  
5 in section three (3) of this Act and".

6 2. By striking from line twenty-one (21) the word "five-  
7 mill".

8 3. By striking lines twenty-three (23) and twenty-four  
9 (24) and inserting in lieu thereof the words "as the  
10 aggregate levy,".

11 4. By adding thereto the following sentence:

12 "The provisions relating to the distribution of funds shall  
13 not apply to the distribution of a city's share of the surtax  
14 provided for in section three (3) of this Act."

1 Sec. 3. Chapter four hundred twenty-two (422), Code 1966,  
2 is hereby amended by adding thereto the following new division:

3 1. "For the purpose of this division the definitions in

4 section four hundred twenty-two point four (422.4) of the Code  
5 shall apply except the word 'person' includes any resident of  
6 the state, fiduciary, partnership, association, corporation,  
7 and any other group acting as a unit, organized under the laws  
8 of this state or whose principal place of business is located  
9 within this state."

10 2. A four (4) percent surtax is hereby imposed on all  
11 income received from interest and dividends by persons of  
12 the state. Those organizations and corporations exempt from  
13 paying the business tax on corporations under section four  
14 hundred twenty-two point thirty-four (422.34) of the Code shall  
15 also be exempt from paying the four (4) percent surtax."

16 3. Any person whose total tax under the provisions of this  
17 section amounts to less than one (1) dollar shall not be  
18 required to file a return under terms of this Act.

19 The surtax shall be applicable to interest and dividends  
20 taxable as net income as determined by "net income" for  
21 income tax purposes as provided by section four hundred twenty-  
22 two point seven (422.7), Code 1966.

23 4. All intangible property of persons residing in other  
24 states used in or arising out of business transacted in this  
25 state, by, for, or on behalf of such nonresident shall be  
26 taxed on the annual yield thereof, and the taxable situs shall  
27 be the location of the business.

28 5. All intangible personal property of persons residing  
29 in this state but used in or arising out of business transacted  
30 in another state by, for, or on behalf of such persons and  
31 taxed in the other state shall not be subject to the intangible  
32 property tax in this state.

33 6. Intangible personal property in the hands of an executor  
34 or an administrator shall be subject to the intangible tax  
35 at the residence of the decedent at the time of death.

36 7. "Every person who receives income from interest and  
37 dividends subject to the payment of the surtax during the  
38 tax year shall file a surtax return and shall forward the  
39 amount of the surtax to the commission. The filing shall  
40 be made on the personal or corporate income tax form made  
41 available by the commission. The taxpayer shall make a  
42 separate itemized accounting of all stocks, bonds,  
43 certificates, notes, securities, debentures, deposits, and  
44 other moneyed capital not exempt under the provisions of  
45 this division from which dividends and interest were  
46 received during the tax year, the market or real value of  
47 all such moneyed capital as of January 1 of the year of  
48 which the tax return is filed, and the amount of surtax  
49 due. In listing the value of all moneyed capital, the  
50 taxpayer shall list the market value of the capital. If  
51 there is no market value, the actual value of the moneyed  
52 capital shall be listed. The amount of said surtax shall  
53 be paid at the same time and in the same manner provided  
54 for final returns as personal and corporate income taxes."

55 8. "For each county, municipal corporation, and school  
56 district of the state, the commission shall make a separate  
57 listing of total market or actual value of all moneyed  
58 capital from which residents of the respective county,  
59 municipal corporation, and school district received dividends  
60 and interest subject to the surtax. The commission shall  
61 make a separate list of the total amount of tax collected  
62 from each city and town in each county and the total amount  
63 of tax collected in all remaining taxing districts outside  
64 of cities and towns in each county. Receipts from the surtax  
65 shall be returned to the county from which paid.

66 9. "On the first day of the second month following the  
67 end of each calendar quarter, the commission shall certify

68 to the state comptroller the amounts determined as due each  
69 county and the comptroller shall thereupon draw warrants for  
70 the said amounts and transmit same to the appropriate county  
71 treasurer. Such amounts transmitted shall be apportioned  
72 as prescribed in section four hundred twenty-nine point three  
73 (429.3) of the Code."

74 10. "Upon termination of the tax prescribed in section  
75 thirty-five B point eleven (35B.11) of the Code, the  
76 commission shall, on or before August first of each year,  
77 certify to each county auditor a report of the total value  
78 of all moneyed capital subject to the payment of the surtax  
79 which taxpayers in the county reported on tax returns filed  
80 during the current tax year. The report shall show the total  
81 value of such moneyed capital reported by taxpayers in the  
82 county, in each municipal corporation in the county, and in  
83 each school district in the county. Such reported value plus  
84 the valuation of those moneys and credits taxed under the  
85 provisions of section four hundred thirty point seven (430.7),  
86 four hundred thirty A point three (430A.3), four hundred  
87 thirty A point seven (430A.7), four hundred thirty-one point  
88 ten (431.10), four hundred thirty-one point thirteen (431.13),  
89 four hundred thirty-two point five (432.5), four hundred  
90 thirty-two point eight (432.8), and five hundred thirty-three  
91 point twenty-two (533.22) of the Code shall be included on  
92 the tax lists prepared by the county auditor. The valuations  
93 shall be used in the computation of the maximum amount of  
94 indebtedness a county or other political or municipal  
95 corporation shall be allowed as provided in section three (3)  
96 of article eleven (XI) of the constitution of the state of  
97 Iowa and sections four hundred seven point one (407.1) and  
98 four hundred seven point two (407.2) of the Code. If any  
99 county or other political or municipal corporation defaults  
100 in the payment of bonded indebtedness, it may levy a tax not  
101 to exceed five (5) mills on all moneyed capital within its  
102 taxing area so long as the bonded indebtedness is unpaid."

1       Sec. 4. Section four hundred twenty-two point one  
2 (422.1), Code 1966, is hereby amended by adding a reference  
3 to the division created by this Act which shall be designated  
4 as follows:

5       "Dividends and interest surtax."

1       Sec. 5. Section four hundred twenty-two point five  
2 (422.5), Code 1966, is hereby amended by striking all of  
3 lines twenty-nine (29) through forty-four (44) effective  
4 for all taxable years beginning on and after January 1, 1967.

1       Sec. 6. Section four hundred twenty-two point twenty-one  
2 (422.21), Code 1966, is hereby amended by striking all of  
3 lines twenty-one (21) through twenty-four (24).

1       Sec. 7. Section four hundred twenty-two point sixty-two  
2 (422.62), Code 1966, is hereby amended by striking all of  
3 lines eleven (11) through nineteen (19) and inserting in  
4 lieu thereof the words "under chapter three hundred six B  
5 (306B) of the Code shall be paid. Annually on November 1,  
6 of each year".

1       Sec. 8. Section four hundred twenty-two point seventy-  
2 one (422.71), Code 1966, is hereby repealed effective for  
3 the taxable year beginning on and after January 1, 1967,  
4 except that section four hundred twenty-two point seventy-  
5 one (422.71), Code 1966, shall remain in effect for  
6 purposes of distribution of funds collected under lines  
7 twenty-nine (29) through forty-four (44) of section four  
8 hundred twenty-two point five (422.5), Code 1966, until  
9 such funds are exhausted.

1       Sec. 9. Section four hundred twenty-seven point one  
2 (427.1), Code 1966, is hereby amended by adding to subsection  
3 twenty (20) of such section the following:

4       "Such stock shall not be exempt from the surtax provided  
5 for in section three (3) of this Act unless such exemption  
6 is otherwise provided by law."

1       Sec. 10. Section four hundred twenty-eight point three

2 (428.3), Code 1966, is hereby amended by inserting in line  
3 five (5) after the word "property" the words "subject to a  
4 property or moneys and credits tax".

1 Sec. 11. Section four hundred twenty-eight point eight  
2 (428.8), Code 1966, is hereby amended by inserting in line  
3 three (3) after the word "stocks" the words "subject to  
4 the moneys and credits tax and".

1 Sec. 12. Section four hundred twenty-eight point eleven  
2 (428.11), Code 1966, is hereby amended by inserting in line  
3 four (4) after the word "credits" the words "subject to a  
4 property or moneys and credits tax".

1 Sec. 13. Section four hundred twenty-eight point twenty-  
2 three (428.23), Code 1966, is hereby amended as follows:

3 1. By inserting in line six (6) after the word "credits"  
4 the words "subject to the moneys and credits tax".

5 2. By striking all of such section after the word  
6 "individuals" in line seven (7) and inserting in lieu thereof  
7 a period (.).

1 Sec. 14. Section four hundred twenty-nine point two  
2 (429.2), Code 1966, is hereby amended as follows:

3 1. By striking from line nineteen (19) the words "five  
4 mills" and inserting in lieu thereof the words "one (1) mill".

5 2. By striking all of such section after the word "resides."  
6 in line twenty-one (21).

7 3. By adding thereto the following:

8 "The tax of one (1) mill imposed in this section shall be  
9 and is the same as imposed in section thirty-five B point  
10 eleven (35B.11) of the Code and shall not be levied in  
11 addition thereto. The tax collected shall be remitted to  
12 the treasurer of state and applied to the payment of principal  
13 and interest of the bonds provided for in chapter thirty-five B  
14 (35B) of the Code. The one (1) mill moneys and credits tax  
15 herein provided shall not be levied by the county board of  
16 supervisors after the payment in full of the bonds provided

17 for in chapter thirty-five B (35B) of the Code."

1       Sec. 15. Section four hundred twenty-nine point three  
2 (429.3), Code 1966, is hereby amended by striking all of  
3 lines one (1) through three (3) and inserting in lieu  
4 thereof the following:

5       "The tax imposed by sections four hundred thirty point  
6 seven (430.7), four hundred thirty A point three (430A.3),  
7 four hundred thirty A point seven (430A.7), four hundred  
8 thirty-one point ten (431.10), four hundred thirty-one  
9 point thirteen (431.13), four hundred thirty-two point five  
10 (432.5), four hundred thirty-two point eight (432.8), and  
11 five hundred thirty-three point twenty-two (533.22) of the  
12 Code shall be levied by the board".

1       Sec. 16. Section four hundred thirty point seven (430.7),  
2 Code 1966, is hereby amended by inserting in line ten (10)  
3 after the word "credits" the words "at five (5) mills on  
4 the dollar in addition to any other tax on moneys and credits  
5 provided by law".

1       Sec. 17. Section four hundred thirty A point seven  
2 (430A.7), Code 1966, is hereby amended as follows:

3       1. By inserting in line four (4) after the word "hereof"  
4 the words "shall be assessed and taxed in the manner  
5 prescribed in sections four hundred thirty-one point one  
6 (431.1) through four hundred thirty-one point five (431.5)  
7 of the Code except such corporations".

8       2. By adding thereto the following:

9       "Any corporation required or electing to be assessed and  
10 taxed under this section in the manner prescribed in sections  
11 four hundred thirty-one point one (431.1) through four  
12 hundred thirty-one point five (431.5) of the Code shall be  
13 taxed at the rate of five (5) mills on the dollar of actual  
14 valuation, such tax to be considered a tax upon moneys and  
15 credits of such corporations, to be apportioned as prescribed  
16 by law, and to be in addition to any other tax on moneys  
17 and credits provided by law."

1       Sec. 18. Section four hundred thirty-one point one  
2 (431.1), Code 1966, is hereby amended by inserting in line  
3 seven (7) after the word "credits" the words "as prescribed  
4 in section four hundred twenty-nine point two (429.2) of  
5 the Code".

1       Sec. 19. Section four hundred thirty-two point five  
2 (432.5), Code 1966, is hereby amended by inserting in line  
3 four (4) after the word "taxation" the words "as moneys and  
4 credits and shall be taxed at five (5) mills on the dollar  
5 of actual valuation, in addition to any other tax on moneys  
6 and credits provided by law. The assessment for taxation  
7 shall be".

1       Sec. 20. Section four hundred thirty-two point eight  
2 (432.8), Code 1966, is hereby amended by adding thereto the  
3 following sentence:

4       "Moneys and credits shall be taxed at five (5) mills on  
5 the dollar of actual valuation in addition to any other tax  
6 on money and credits provided by law."

1       Sec. 21. Section four hundred thirty-three point one (433.1),  
2 Code 1966, is hereby amended by striking subsections eight (8)  
3 through ten (10) of such section.

1       Sec. 22. Section four hundred thirty-three point four  
2 (433.4), Code 1966, is hereby amended by inserting in line  
3 twenty-four (24) before the word "; and" the following:

4       "except moneyed capital subject to the surtax provided  
5 for in section twenty-eight (28) of this Act".

1       Sec. 23. Section four hundred thirty-six point eleven  
2 (436.11), Code 1966, is hereby amended by inserting in line  
3 nineteen (19) after the word "taxed" the words "except capital  
4 stock shall be subject to the surtax provided for in section  
5 three (3) of this Act".

1       Sec. 24. Section four hundred forty-one point forty-five  
2 (441.45), Code 1966, is hereby amended by striking lines  
3 twenty-three (23) through twenty-nine (29).

1       Sec. 25. Section four hundred forty-four point two (444.2),

17 for in chapter thirty-five B (35B) of the Code."

1       Sec. 15. Section four hundred twenty-nine point three  
2 (429.3), Code 1966, is hereby amended by striking all of  
3 lines one (1) through three (3) and inserting in lieu  
4 thereof the following:

5       "The tax imposed by sections four hundred thirty point  
6 seven (430.7), four hundred thirty A point three (430A.3),  
7 four hundred thirty A point seven (430A.7), four hundred  
8 thirty-one point ten (431.10), four hundred thirty-one  
9 point thirteen (431.13), four hundred thirty-two point five  
10 (432.5), four hundred thirty-two point eight (432.8), and  
11 five hundred thirty-three point twenty-two (533.22) of the  
12 Code shall be levied by the board".

1       Sec. 16. Section four hundred thirty point seven (430.7),  
2 Code 1966, is hereby amended by inserting in line ten (10)  
3 after the word "credits" the words "at five (5) mills on  
4 the dollar in addition to any other tax on moneys and credits  
5 provided by law".

1       Sec. 17. Section four hundred thirty A point seven  
2 (430A.7), Code 1966, is hereby amended as follows:

3       1. By inserting in line four (4) after the word "hereof"  
4 the words "shall be assessed and taxed in the manner  
5 prescribed in sections four hundred thirty-one point one  
6 (431.1) through four hundred thirty-one point five (431.5)  
7 of the Code except such corporations".

8       2. By adding thereto the following:

9       "Any corporation required or electing to be assessed and  
10 taxed under this section in the manner prescribed in sections  
11 four hundred thirty-one point one (431.1) through four  
12 hundred thirty-one point five (431.5) of the Code shall be  
13 taxed at the rate of five (5) mills on the dollar of actual  
14 valuation, such tax to be considered a tax upon moneys and  
15 credits of such corporations, to be apportioned as prescribed  
16 by law, and to be in addition to any other tax on moneys  
17 and credits provided by law."

1       Sec. 18. Section four hundred thirty-one point one  
2       (431.1), Code 1966, is hereby amended by inserting in line  
3       seven (7) after the word "credits" the words "as prescribed  
4       in section four hundred twenty-nine point two (429.2) of  
5       the Code".

1       Sec. 19. Section four hundred thirty-two point five  
2       (432.5), Code 1966, is hereby amended by inserting in line  
3       four (4) after the word "taxation" the words "as moneys and  
4       credits and shall be taxed at five (5) mills on the dollar  
5       of actual valuation, in addition to any other tax on moneys  
6       and credits provided by law. The assessment for taxation  
7       shall be".

1       Sec. 20. Section four hundred thirty-two point eight  
2       (432.8), Code 1966, is hereby amended by adding thereto the  
3       following sentence:

4       "Moncoys and credits shall be taxed at five (5) mills on  
5       the dollar of actual valuation in addition to any other tax  
6       on money and credits provided by law."

1       Sec. 21. Section four hundred thirty-three point one (433.1),  
2       Code 1966, is hereby amended by striking subsections eight (8)  
3       through ten (10) of such section.

1       Sec. 22. Section four hundred thirty-three point four  
2       (433.4), Code 1966, is hereby amended by inserting in line  
3       twenty-four (24) before the word "; and" the following:

4       "except moneyed capital subject to the surtax provided  
5       for in section twenty-eight (28) of this Act".

1       Sec. 23. Section four hundred thirty-six point eleven  
2       (436.11), Code 1966, is hereby amended by inserting in line  
3       nineteen (19) after the word "taxed" the words "except capital  
4       stock shall be subject to the surtax provided for in section  
5       three (3) of this Act".

1       Sec. 24. Section four hundred forty-one point forty-five  
2       (441.45), Code 1966, is hereby amended by striking lines  
3       twenty-three (23) through twenty-nine (29).

1       Sec. 25. Section four hundred forty-four point two (444.2),

2 Code 1966, is hereby amended by inserting in line thirteen (13)  
3 after the number "429.2" the words "nor including moneyed  
4 capital subject to the surtax provided for in section three  
5 (3) of this Act".

1 Sec. 26. Section four hundred forty-four point three  
2 (444.3), Code 1966, is hereby amended as follows:

3 1. By striking all of lines fifteen (15) through seventeen  
4 (17) and inserting in lieu thereof the words "provided in  
5 section four hundred twenty-nine point two (429.2) of the  
6 Code and shall".

7 2. By striking all of such section after the word "made."  
8 in line twenty-one (21).

1 Sec. 27. Section four hundred forty-four point five  
2 (444.5), Code 1966, is hereby amended by inserting in line  
3 six (6) after the number "429.2" the words "or its due  
4 proportion of surtax provided for in section three (3) of  
5 this Act".

1 Sec. 28. Section five hundred thirty-three point twenty-  
2 two (533.22), Code 1966, is hereby amended by inserting in  
3 line four (4) after the word "credits." the following  
4 sentence:

5 "Moneys and credits shall be taxed at five (5) mills on  
6 the dollar of actual valuation in addition to any other tax  
7 on moneys and credits provided by law."

1 Sec. 29. Every person who is liable for any tax pursuant  
2 to the provisions of this Act and who fails to pay the tax  
3 when due shall pay interest penalty on the delinquency at  
4 the rate of one (1) percent per month but not to exceed  
5 ten (10) percent per annum. The method of collecting the  
6 tax and interest penalty shall be the same as provided by  
7 sections four hundred twenty-two point twenty-five (422.25),  
8 four hundred twenty-two point twenty-eight (422.28), four  
9 hundred twenty-two point thirty (422.30) and related sections  
10 of the Code.

1 Sec. 30. No estate in which there is intangible personal

2 property subject to taxation under this Act shall be closed  
3 without the payment of the tax levied under this Act, both in  
4 respect to the liability of the estate and the decedent prior  
5 to his death. In all estates in which there is intangible  
6 personal property subject to taxation under this Act, a return  
7 shall be filed by the fiduciary with the filing of the final  
8 fiduciary return or with the filing of any annual fiduciary  
9 return required by law.

1 Sec. 31. If any taxpayer fails to make a return as provided  
2 by this Act, or shall make an insufficient return, the commission  
3 shall, at any time within three (3) years after the return of  
4 such taxpayer is required by law to be filed, make the  
5 assessment or additional assessment of such intangible property  
6 receipts tax and shall notify the taxpayer of such action and  
7 the reason therefor, in conformity with section four hundred  
8 twenty-two point twenty-eight (422.28) of the Code.

1 Sec. 32. In order to ascertain the correct amount of  
2 intangible tax due any county or political subdivision of  
3 this state, the commission is hereby empowered to examine any  
4 papers or records, including federal and state income tax  
5 records, belonging to any person who owns or controls any  
6 intangible property taxable under the provisions of this Act,  
7 and utilize such information for carrying out the purposes  
8 of this Act. Such use shall not be deemed a violation of  
9 section four hundred twenty-two point twenty (422.20) or four  
10 hundred twenty-two point sixty-five (422.65) of the Code.

1 Sec. 33. This Act, being deemed of immediate importance,  
2 shall take effect and be in force from and after its  
3 publication in the \_\_\_\_\_, a newspaper published  
4 in \_\_\_\_\_, Iowa, and in the \_\_\_\_\_,  
5 a newspaper published in \_\_\_\_\_, Iowa.

1 Amend Senate File 774 as follows:  
2 1. Amend section three (3) by striking from line fifty-  
3 five (55) the word "minicipal" and by inserting in lieu  
4 thereof the word "municipal".

Filed

May 1, 1967

By COLEMAN

1 Amend Senate File 774 as follows:  
2 1. Amend the ritle of Senate File 774 by striking from  
3 line two (2) the word "four" and by inserting in lieu thereof  
4 the word "two".  
5 2. By striking from line ten (10) of section three (3)  
6 the word and numeral "four (4)" and by inserting in lieu  
7 thereof the word and numeral "two (2)".  
8 3. Further amend said section by striking from line  
9 fifteen (15) the word and numeral "four (4)" and by insert-  
10 ing in lieu thereof the word and numeral "two (2)".

Filed

May 3, 1967

By SHAFF

1 Amend Senate File 774 as follows:  
2 1. Amend section three (3) by striking from lines ten  
3 (10) and fifteen (15) the word "four (4)" and by inserting  
4 in lieu thereof the word "two (2)".  
5 2. Further amend section three (3) by striking lines  
6 sixteen (16), seventeen (17) and eighteen (18) and by insert-  
7 ing in lieu thereof the following:  
8 "All interest and dividends received by any person within  
9 a tax year shall be subject to the two (2) percent surtax  
10 except that the first two hundred (200) dollars received  
11 during the tax year by every person shall be exempt from the  
12 surtax. No deduction other than the two hundred (200) dolla  
13 exemption shall be allowed in computing the amount of surtax  
14 due."

Filed

May 10, 1967

By HOUGEN

1 Amend Senate File 774 as follows:  
2 1. By striking line eighty-nine (89) of Section three (3)  
3 and all of line ninety (90) of the said section preceding the  
4 word "and".  
5 2. By striking Sections nineteen (19) and twenty (20).

Filed

May 16, 1967

By RENO

1 Amend the Hougén amendment filed May 10, 1967 to Senate  
2 File 774 as follows:  
3 1. By inserting in line twelve (12) after the word,  
4 "surtax" the following:  
5 "A further exemption of eight hundred (800) dollars shall  
6 be allowed to each person who shall attain the age of sixty-  
7 five (65) years during the taxable year."  
8 2. By inserting in line twelve (12) after the word,  
9 "dollar" the words, "and eight hundred (800) dollars".

Filed

June 2, 1967

By GAUDINEER

1 Amend Senate File 774 as follows:  
2 1. By inserting in section three (3), line twelve (12)  
3 after the word, "state" the following:  
4 "Interest and dividends within the meaning of this Act  
5 shall not include the benefits of any public or private pen-  
6 sion funds, trusts, or plans or annuities received by a pri-  
7 vate individual."

Filed  
June 2, 1967

By GAUDINEER

1 Amend Senate File 774 by striking the words "shall also"  
2 in section three (3), lines fourteen (14) and fifteen (15);  
3 and inserting in lieu thereof the words ", chattel loan  
4 companies licensed under chapter five hundred thirty-six  
5 (536) of the Code and industrial loan companies licensed  
6 under chapter five hundred thirty-six A (536A) of the Code,  
7 shall".

Filed  
June 6, 1967

By RIGLER