

FILED JAN 23 1978

SENATE FILE 2054

BY COMMITTEE ON WAYS AND MEANS

Passed Senate, Date 2-10-78 (p. 264) Passed House, Date 4-4-78 (p. 1241)

Vote: Ayes 46 Nays 0 Vote: Ayes 24 Nays 0

Approved June 17, 1978

A BILL FOR

1 An Act relating to the deposit of school district income
2 surtax moneys.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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Appointments of Conference Committee

*Rep: Darnett, Chase, Miller of Buchanan; Vose, Dygert, Munk, (p. 900)
Sen: Bays, Chase, Carter, Leitch, Johnson, Hoff (p. 268)*

Passed for Conference Committee Report

*Senate 5-9-78 (p. 1322) House 5-9-78 (p. 2362)
27-0 90-1*

1 Section 1. Section four hundred forty-two point eighteen
2 (442.18), Code 1977, is amended by striking the section and
3 inserting in lieu thereof the following:

4 442.18. DEPOSIT OF SCHOOL DISTRICT INCOME SURTAX. The
5 director of revenue shall deposit all school district income
6 surtax moneys received on or before November first of the
7 year following the close of the school budget year for which
8 the surtax is imposed to the credit of each district from
9 which the moneys are received in a "school district income
10 surtax fund" which is established in the office of the
11 treasurer of state.

12 All school district surtax moneys received or refunded
13 after November first of the year following the close of the
14 school budget year for which the surtax is imposed shall be
15 deposited in or withdrawn from the general fund of the state
16 and shall be considered part of the cost of administering
17 the school district surtax.

18 Sec. 2. The provisions of this Act shall be effective
19 July 1, 1978 for all state individual income tax returns filed
20 on or after July 1, 1978.

21 EXPLANATION

22 The bill provides that all school district income surtax
23 received on or before November 1 of the year following the
24 school budget year shall be deposited in the school district
25 income surtax fund. Moneys received after that date shall
26 be credited to the general fund of the state.

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H-5501

1 Amend Senate File 2054, as passed by the Senate
2 as follows:

3 1. By striking everything after the enacting
4 clause and inserting in lieu thereof the following:
5 "Section 1. Section four hundred forty-two point
6 eighteen (442.18), Code 1977, is amended by striking
7 the section and inserting in lieu thereof the
8 following:

9 442.18. DEPOSIT OF SCHOOL DISTRICT INCOME SURTAX.
10 The director of revenue shall deposit all school
11 district income surtax moneys received to the credit
12 of each district from which the moneys are received
13 in a "school district income surtax fund" which is
14 established in the office of the treasurer of state.
15 However, after November first of the year following
16 the close of the school budget year for which the
17 school district income surtax is imposed, all income
18 surtax moneys shall be credited to the general fund
19 of the state when derived from:

20 1. An audit in which the taxpayer's tax liability
21 has increased.

22 2. The filing of an amended income tax return
23 in which the taxpayer's tax liability has increased.

24 In addition, any interest accrued from such moneys
25 shall be credited to the general fund of the state,
26 and shall be considered part of the cost of
27 administering the school district income surtax.
28 All school district income surtax moneys refunded
29 to a taxpayer after November first of the year
30 following the close of the school budget year for
31 which the income surtax is imposed shall be paid from
32 the general fund of the state.

33 Sec. 2. The provisions of this Act shall be
34 effective July 1, 1978 for all state individual income
35 tax returns filed on or after July 1, 1978."

H-5501 FILED *adopted* BY COMMITTEE ON WAYS AND MEANS
MARCH 2, 1978 4/4 (p. 1340) NORLAND of Worth, Chair

HOUSE AMENDMENT TO SENATE FILE 2054

S-8514

1 Amend Senate File 2054, as passed by the Senate
2 as follows:
3 1. By striking everything after the enacting
4 clause and inserting in lieu thereof the following:
5 "Section 1. Section four hundred forty-two point
6 eighteen (442.18), Code 1977, is amended by striking
7 the section and inserting in lieu thereof the
8 following:
9 442.18. DEPOSIT OF SCHOOL DISTRICT INCOME SURTAX.
10 The director of revenue shall deposit all school
11 district income surtax moneys received to the credit
12 of each district from which the moneys are received
13 in a "school district income surtax fund" which is
14 established in the office of the treasurer of state.
15 However, after November first of the year following
16 the close of the school budget year for which the
17 school district income surtax is imposed, all income
18 surtax moneys shall be credited to the general fund
19 of the state when derived from:
20 1. An audit in which the taxpayer's tax liability
21 has increased.
22 2. The filing of an amended income tax return
23 in which the taxpayer's tax liability has increased.
24 In addition, any interest accrued from such moneys
25 shall be credited to the general fund of the state,
26 and shall be considered part of the cost of
27 administering the school district income surtax.
28 All school district income surtax moneys refunded
29 to a taxpayer after November first of the year
30 following the close of the school budget year for
31 which the income surtax is imposed shall be paid from
32 the general fund of the state.
33 Sec. 2. The provisions of this Act shall be
34 effective July 1, 1978 for all state individual income
35 tax returns filed on or after July 1, 1978."

S-8514 FILED
APRIL 10, 1978

RECEIVED FROM THE HOUSE

*Senate refused to concur 4/12 (J. 243)
House concurred 4/10 (J. 1645)*

SENATE FILE 2054
FISCAL NOTE

Date: February 2, 1978

Requested by: Senator Warren Curtis

In compliance with a written request received January 25, 1978, there is hereby submitted a Fiscal Note for Senate File 2054, pursuant to Joint Rule 16. Background information used in developing this Fiscal Note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

Senate File 2054, An Act relating to the deposit of school district income surtax moneys.

This bill provides that school district surtax monies received or refunded after November 1 of the year following the close of the school budget year for which the surtax is imposed are to be deposited or withdrawn from the general fund of the state. The purpose of the bill is to make the surtax provisions administratively feasible by eliminating the requirement for the department to maintain separate records for each imposing district of monies received or refunds issued after this date.

In view of the current low tax rates and the limited number of returns received and processed after November 1, the impact of this bill on school districts would be minimal. In fact, it is felt that the administrative costs of maintaining separate records for each district could exceed the amount of monies owed to a district as the result of the payment of additional taxes or might exceed monies owed by districts as the result of the payment of a refund to taxpayers.

Source: Iowa Department of Revenue

FILED
FEBRUARY 7, 1978

GERRY RANKIN
FISCAL DIRECTOR
LEGISLATIVE FISCAL BUREAU

REPORT OF THE CONFERENCE COMMITTEE

ON SENATE FILE 2054

To the President of the Senate and the Speaker of the House of Representatives:

We, the undersigned members of the conference committee appointed to consider the differences between the Senate and the House of Representatives on Senate File 2054, a bill for an Act relating to the deposit of school district income surtax moneys, respectfully make the following report:

1. That the House recede from its amendment, S-5514, to Senate File 2054, as passed by the Senate.

2. That Senate File 2054, as passed by the Senate, be amended as follows:

1. By striking everything after the enacting clause and inserting in lieu thereof the following:

"Section 1. Section four hundred forty-two point eighteen (442.18), Code 1977, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. Effective July 1, 1980, the director of revenue shall deposit all school district income surtax moneys received on or before November first of the year following the close of the school budget year for which the surtax is imposed to the credit of each district from which the moneys are received in the school district income surtax fund. All school district surtax moneys received or refunded after November first of the year following the close of the school budget year for which the surtax is imposed shall be deposited in or withdrawn from the general fund of the state and shall be considered part of the cost of administering the school district surtax.

Sec. 2. The department of revenue shall, not later than January 15, 1980, submit a report to the general assembly specifying the amount of school district income surtax moneys credited to the school district income surtax fund after

November 1, 1978 and November 1, 1979 which were attributed to individual income tax returns filed and received in 1978 and 1979 respectively after the date on which such returns shall have been filed. The report shall also specify the amount of school district income surtax moneys received or refunded as a result of an audit or from the filing of amended returns. The report shall specify the names of each school district which has imposed a school district income surtax and the amount of additional income surtax moneys received from late filed returns and received or refunded from audited and amended returns and the administrative costs incurred by the department in processing these returns and the issuance of warrants to the respective school districts which have received additional surtax moneys from late filed returns and audited and amended returns.

Sec. 3. The provisions of section one (1) of this Act shall be effective July 1, 1980 for all state individual income tax returns filed on or after July 1, 1980."

ON THE PART OF THE SENATE:

Norman G. Rodgers
Warren E. Curtis
Fred W. Nolting
Cloyd Robinson
Roger J. Shaff

ON THE PART OF THE HOUSE:

Philip A. Davitt
Horace C. Daggett
Lester D. Menke
Kenneth D. Miller
James D. Wells

Filed: May 4, 1978

*Agreed adopted 5/4/78
Senators " " 11/2/78*

SENATE FILE 2054

AN ACT

RELATING TO THE DEPOSIT OF SCHOOL DISTRICT INCOME SURTAX MONEYS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section four hundred forty-two point eighteen (442.18), Code 1977, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. Effective July 1, 1980, the director of revenue shall deposit all school district income surtax moneys received on or before November first of the year following the close of the school budget year for which the surtax is imposed to the credit of each district from which the moneys are received in the school district income surtax fund. All school district surtax moneys received or refunded after November first of the year following the close of the school budget year for which the surtax is imposed shall be deposited in or withdrawn from the general fund of the state and shall be considered part of the cost of administering the school district surtax.

Sec. 2. The department of revenue shall, not later than January 15, 1980, submit a report to the general assembly specifying the amount of school district income surtax moneys credited to the school district income surtax fund after November 1, 1978 and November 1, 1979 which were attributed to individual income tax returns filed and received in 1978 and 1979 respectively after the date on which such returns shall have been filed. The report shall also specify the amount of school district income surtax moneys received or refunded as a result of an audit or from the filing of amended returns. The report shall specify the names of each school district which has imposed a school district income surtax

and the amount of additional income surtax moneys received from late filed returns and received or refunded from audited and amended returns and the administrative costs incurred by the department in processing these returns and the issuance of warrants to the respective school districts which have received additional surtax moneys from late filed returns and audited and amended returns.

Sec. 3. The provisions of section one (1) of this Act shall be effective July 1, 1980 for all state individual income tax returns filed on or after July 1, 1980.

ARTHUR A. NEU
President of the Senate

DALE H. COCHRAN
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2054, Sixty-seventh General Assembly.

KEVIN P. LIGHT
Acting Secretary of the Senate

Approved _____, 1978

ROBERT O. FAY
Governor