

SENATE FILE 219

Small Business & Economic Development
Anderson, Chair
Rodgers
Readinger

*Amend per 3148 +
Do Pass 3/2/83 (p. 592)*

FILED FEB 10 1983

SENATE FILE

219

BY ANDERSON

SENATE FILE 219

Ways & Means
Carr, Chair
Brown
Readinger

Passed Senate, Date _____ Passed House, Date _____

Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act relating to the procedure for filing sales tax returns
2 by retailers collecting two hundred fifty dollars or less
3 monthly.

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

SENATE FILE 219

S-3148

- 1 Amend Senate File 219 as follows:
- 2 1. Page 3, by striking line 12.

S-3148 FILED
MARCH 2, 1983

BY COMMITTEE ON SMALL BUSINESS
AND ECONOMIC DEVELOPMENT
EMIL J. HUSAK, CHAIR

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1 Section 1. Section 422.52, subsection 1, Code 1983, is
2 amended to read as follows:

3 1. a. The tax levied under this division is due and
4 payable in quarterly installments on or before the last day
5 of the month following each quarterly period except as
6 otherwise provided in this subsection.

7 b. ~~Every~~ A retailer who collects more than four thousand
8 dollars in retail sales tax in a semimonthly period shall
9 deposit with the department or in a depository authorized
10 by law and designated by the director, the amount collected
11 or an amount equal to not less than one-sixth of the tax
12 collected and paid to the department during the preceding
13 quarter, with a deposit form for the semimonthly period as
14 prescribed by the director. The first semimonthly deposit
15 form is for the period from the first of the month through
16 the fifteenth of the month and is due on or before the twenty-
17 fifth day of the month. The second semimonthly deposit form
18 is for the period from the sixteenth through the end of the
19 month and is due on or before the tenth day of the month
20 following the month of collection. A deposit is not required
21 for the last semimonthly period of the calendar quarter.
22 The total quarterly amount, less the amount deposited for
23 the five previous semimonthly periods, is due with the
24 quarterly report on the last day of the month following the
25 month of collection.

26 c. A retailer who collects more than five hundred dollars
27 in retail sales taxes in one month and not more than four
28 thousand dollars in retail sales taxes in a semimonthly period
29 shall deposit with the department or in a depository authorized
30 by law and designated by the director, the amount collected
31 or an amount equal to not less than one-third of the tax
32 collected and paid to the department during the preceding
33 quarter, with a deposit form for the month as prescribed by
34 the director. The deposit form is due on or before the
35 twentieth day of the month following the month of collection,

1 except a deposit is not required for the third month of the
2 calendar quarter and the total quarterly amount, less the
3 amounts deposited for the first two months of the quarter,
4 is due with the quarterly report on the last day of the month
5 following the month of collection.

6 d. Every A retailer who collects more than two hundred
7 fifty dollars and not more than five hundred dollars in retail
8 sales tax in one month shall deposit with the department or
9 in a depository authorized by law and designated by the
10 director, the amount collected, or an amount equal to not
11 less than one-third of the tax collected and paid to the
12 department during the last preceding quarter, with a deposit
13 form for the month as prescribed by the director. The deposit
14 form is due on or before the twentieth day of the month
15 following the month of collection, except a deposit is not
16 required for the third month of the calendar quarter and the
17 total quarterly amount, less the amounts deposited for the
18 first two months of the quarter, is due with the quarterly
19 report on the last day of the month following the month of
20 collection.

21 e. The monthly remittance procedure is optional for any
22 sales tax permit holder whose average monthly collection of
23 tax amounts to more than twenty-five dollars and ~~less~~ not
24 more than two hundred fifty dollars.

25 f. If the exact amounts of the taxes due or an amount
26 equal to not less than one-third or one-sixth, as applicable,
27 of the tax collected and paid to the department during the
28 last preceding quarter on the deposit form are not
29 ascertainable by the retailer, or would work undue hardship
30 in the computation of the taxes due by the retailer, the
31 director may provide by rules alternative procedures for
32 estimating the amounts (but not the dates) due by the
33 retailers. The forms prescribed by the director shall be
34 referred to as "retailers semimonthly tax deposit" or
35 "retailers monthly tax deposit". Deposit forms shall be

1 signed by the retailer or the retailer's duly authorized
2 agent, and shall be duly certified by the retailer or agent
3 to be correct. The director may authorize incorporated banks
4 and trust companies or other depositories authorized by law
5 which are depositories or financial agents of the United
6 States, or of this state, to receive any tax imposed under
7 this chapter, in the manner, at the times and under the
8 conditions the director prescribes. The director shall
9 prescribe the manner, times, and conditions under which the
10 receipt of the tax by those depositories is to be treated
11 as payment of the tax to the department.

12 Sec. 2. This Act takes effect January 1, 1984.

13 EXPLANATION

14 Under current law, retailers who collect more than fifty
15 dollars and not more than five hundred dollars in sales tax
16 in any month shall deposit with the department or in a deposi-
17 tory bank designated by the director of revenue the amount
18 collected or an amount equal to thirty percent of the tax
19 collected and paid during the last preceding quarter. The
20 bill increases the fifty dollar amount to two hundred fifty
21 dollars. This will allow a retailer who collects between
22 twenty-five dollars and two hundred fifty dollars monthly
23 the option to file quarterly returns or make monthly deposits.
24 The bill takes effect January 1, 1984.

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SENATE FILE 219--FISCAL NOTE

REQUESTED BY SENATOR ANDERSON

In compliance with a written request there is hereby submitted a Fiscal Note for Senate File 219 pursuant to Joint Rule 17.

Senate File 219 allows retailers who collect between \$25.00 and \$250.00 monthly the option to file quarterly returns or make monthly deposits. Current law provides that retailers who collect more than \$50.00 and not more than \$500.00 in sales tax in any month shall deposit with the department or in a depository bank designated by the director of revenue the amount collected or an amount equal to 30 percent of the tax collected and paid during the preceding quarter. Senate File 219 increases the \$50.00 amount to \$250.00.

FISCAL IMPACT: There are approximately 21,000 sales tax permit holders who collect between \$150.00 and \$750.00 in sales tax each quarter. It is not possible to estimate the number of these taxpayers who would choose to file only quarterly if given the option. However, for those taxpayers who elect to file quarterly rather than monthly, the effect will be to delay the collection of taxes.

Based on sales tax data for fiscal 1982, the department of revenue estimates that the 21,000 taxpayers currently deposit approximately \$2.5 million for sales made during the first month of the quarter and \$2.5 million for sales made during the second month of the quarter. If all affected taxpayers chose to file quarterly, the first month's receipts of \$2.5 million would be delayed two months and the second month's receipts would be delayed one month. The actual impact on the state General Fund balance as of June 30 would be dependent on the method of accounting for sales tax receipts in effect at the time of the transition.

SOURCE: DEPT. OF REVENUE
FILED:
MARCH 21, 1983

(35S, 83-21, CMG)

BY LEGISLATIVE FISCAL BUREAU
DENNIS C. PROUTY, DIRECTOR