

Appropriations 3/18/83

SENATE FILE 461 Do Pass 3/30 (p. 1045)

Appropriations
Palmer, Chair
Husak
Tieden

See Appropriations 4/28/83 Do Pass 5/4/83

MAR 17 1983

Finance 3/30/83 Do Pass 3/30 (p. 1047)
Finance Do Pass 5/4/83

SENATE FILE 461

BY COMMITTEE ON WAYS AND MEANS

Senate File 461

Ways and Means: Varn, Chair; Carpenter, Diemer, Oxley and Tabor.

pass for 3884 4/28

Passed Senate, Date 4-5-83 (p. 1091) Passed House, Date 5-6-83 (p. 1862)

Vote: Ayes 33 Nays 15 Vote: Ayes 83 Nays 12

Approved June 1, 1983

Passed Senate for House amendment 3823
as amended by 3945

Passed House as further amended by
Senate (4252)

5-14-83 (p. 1766)
88-9

A BILL FOR

5-14-83 (p. 2242)
90-3

1 An Act to establish a tax study committee to conduct a study
2 of the tax structure in this state and making an
3 appropriation.

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

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S.F. 461

1 Section 1. PURPOSE. The general assembly finds that the
2 state is currently facing a fiscal and economic crisis and
3 there is a need to study the tax system of the state to:

4 1. Examine who pays state and local taxes in Iowa.

5 2. Examine the impact of state and local taxes on the
6 state's economy and the citizens of the state.

7 3. Examine changes which could be instituted to raise
8 revenues more equitably and to improve the performance of
9 the state's economy.

10 4. Determine the enforceability of the state's tax laws.

11 5. Examine how the state's entire tax structure compares
12 with the tax structures of other states.

13 The list of revenue raising methods and taxes to be studied
14 shall include, but not be limited to, the sales and use tax,
15 the personal and corporate income tax, the property tax,
16 unemployment compensation taxes, inheritance and estate taxes,
17 and road use taxes.

18 Sec. 2. STUDY COMMITTEE CREATED. There is established
19 a tax study committee which shall consist of nine members.
20 The members shall be appointed as follows:

21 1. The majority and minority leaders of the house of
22 representatives shall each appoint one member.

23 2. The majority and minority leaders of the senate shall
24 each appoint one member.

25 3. The governor shall appoint four members, two of whom
26 shall be registered democrats and two of whom shall be
27 registered republicans, subject to confirmation by the senate.
28 The names of all persons appointed under this subsection shall
29 be submitted to the senate not later than April 29, 1983.

30 4. One additional member who shall be appointed and
31 approved unanimously by the governor and the majority and
32 minority leaders of the senate and the house of representatives
33 and this member shall chair the committee.

34 All members of the tax study committee shall be appointed
35 not later than thirty days from the effective date of this

1 Act. The tax study committee shall hold its organizational
2 meeting not more than thirty days following the appointment
3 of its membership.

4 Sec. 3. EXPENSES AND PER DIEM. Public members of the
5 tax study committee shall receive a per diem of forty dollars
6 and be reimbursed for their travel and other necessary expenses
7 actually incurred in the performance of their official duties.
8 Legislative members shall receive, when the general assembly
9 is not in session, a per diem of forty dollars and their
10 travel and other expenses incurred in the performance of their
11 official duties from funds appropriated by section 2.12.
12 Public employees who are members of the tax study committee
13 shall be reimbursed for travel and other expenses actually
14 incurred in the performance of their official duties.

15 Sec. 4. DUTIES. The tax study committee shall conduct
16 a comprehensive study of the state's tax system in accordance
17 with the stated purposes of this Act. The study committee
18 shall employ a tax study director to supervise the study.
19 The tax study director shall hire research personnel to conduct
20 studies which the committee may direct and the tax study
21 director shall advise the committee. The study committee
22 may also employ other persons and may request assistance of
23 any state or local government agency to obtain any data or
24 other information which the study committee deems necessary
25 to carry out its duties. The state and local government
26 agencies shall provide any assistance requested by the tax
27 study committee.

28 Sec. 5. STAFF SUPPORT. The study committee may request
29 that the legislative council provide staff for the tax study
30 committee from the staff of the legislative service bureau
31 and the legislative fiscal bureau.

32 Sec. 6. FINAL REPORT. The tax study committee shall
33 transmit copies of its final report to the governor and the
34 members of the general assembly on December 1, 1984. The
35 final report shall include findings of fact and its

1 recommendations and relevant data gathered by and for the
2 committee.

3 Sec. 7. There is appropriated from the general fund of
4 the state to the legislative council for the use of the tax
5 study committee for the fiscal period beginning on the
6 effective date of this Act and ending December 31, 1984 the
7 sum of two hundred fifty thousand (250,000) dollars, or so
8 much thereof as is necessary, to carry out the purposes of
9 this Act.

10 Sec. 8. This Act, being deemed of immediate importance,
11 takes effect from and after its publication in the Northeast
12 Dallas County Record, a newspaper published in Woodward, Iowa,
13 and in the Solon Economist, a newspaper published in Solon,
14 Iowa.

15 EXPLANATION

16 The bill establishes a tax study committee consisting of
17 nine members to conduct a comprehensive study of the state's
18 tax structure. The tax study committee shall employ a tax
19 study director who shall employ necessary staff to assist
20 the director. The bill appropriates \$250,000 for the study
21 and provides for the report to be submitted on December 1,
22 1984. The bill takes effect upon publication.

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S-3423

- 1 Amend Senate File 461 as follows:
2 1. Page 1, by inserting after line 12 the
3 following:
4 "6. Evaluate the need for revising and equalizing
5 the tax structure of the state."
6 2. Page 1, by inserting after line 17 the
7 following:
8 "The general assembly recognizes that there have
9 been a number of committees established in the past
10 which have studied and submitted reports and
11 recommendations on the tax structure of the state
12 and that the vast majority of these studies have been
13 able to concentrate only on specific areas of the
14 tax structure of the state rather than having the
15 time to make a concerted, detailed, and thorough study
16 of all tax policies and programs affecting the state
17 and local governments with only the Papke study,
18 completed in 1966, able to do so. Thus the general
19 assembly directs this study to be done as provided
20 in section 4 of this Act."
21 3. By striking page 1, line 18 through page 2,
22 line 31 and inserting in lieu thereof the following:
23 "Sec. 2. STUDY OVERSIGHT COMMITTEE CREATED. There
24 is established a tax study oversight committee which
25 shall consist of the legislative fiscal committee.
26 Sec. 3. DUTIES. The tax study oversight committee
27 shall oversee the study to be done as provided in
28 section 4 of this Act. Approval of study methods,
29 timing, and extra-ordinary expenses shall be made
30 by this committee.
31 Sec. 4. STUDY CREATED. There is appropriated
32 from the general fund of the state to the legislative
33 fiscal bureau the sum of two hundred fifty thousand
34 (250,000) dollars or so much thereof as shall be
35 necessary for the conducting of a study to carry out
36 the purposes of this Act. Those responsible for the
37 study shall have access to all public records and
38 shall be given the cooperation of all public officials
39 including all personnel of state universities and
40 colleges. Extra-ordinary expenses incurred through
41 such cooperation shall be met from the funds
42 appropriated in this section."
43 4. Page 2, line 32, by striking the words "tax
44 study committee" and inserting in lieu thereof the
45 words "legislative fiscal bureau".
46 5. Page 3, line 2, by striking the word "committee"
47 and inserting in lieu thereof the words "legislative
48 fiscal bureau".
49 6. Page 3, by striking lines 3 through 9.
50 7. Title page, line 1, by striking the words "to

PAGE 2

1 establish a tax study committee".

2 8. Renumber as necessary.

HOUSE AMENDMENT TO SENATE FILE 461

S-3823

1 Amend Senate File 461, as passed by the Senate,
2 as follows:

3 1. Page 1, line 6, by inserting after the word
4 "economy" the words ", employment, the state
5 treasury,".

6 2. Page 1, by inserting after line 12 the
7 following:

8 "6. Examine tax preference items."

9 3. Page 1, line 16, by striking the words
10 "unemployment compensation taxes,".

11 4. Page 1, by striking lines 25 through 29 and
12 inserting in lieu thereof the following:

13 "3. The governor shall appoint four members, two
14 of whom shall be appointed from the democratic party
15 membership and subject to the approval of the majority
16 leaders of the senate and house of representatives
17 and two of whom shall be appointed from the republican
18 party membership and subject to the approval of the
19 minority leaders of the senate and house of
20 representatives."

21 5. Page 1, line 31, by striking the words "the
22 governor and".

23 6. Page 2, line 21, by inserting after the period
24 the words "In hiring research personnel, where
25 qualifications are comparable, preference shall be
26 given to Iowa residents."

27 7. Page 2, line 25, by inserting after the word
28 "duties" the words ", except that the study committee
29 or its staff shall not have access to any tax returns
30 or return information where access is specifically
31 limited or prohibited by statute".

32 8. Page 3, by striking lines 10 through 14.

33 9. Renumber sections and correct internal
34 references as necessary in accordance with this
35 amendment.

S-3823 FILED
MAY 9, 1983

RECEIVED FROM THE HOUSE

Senate amended (3945) & concurred 5/14/83 (g.1766)

SENATE FILE 461

S-3945

1 Amend the House amendment, S-3823, to Senate File
2 461 as passed by the Senate as follows:

3 1. Page 1, by striking lines 11 through 22 and
4 inserting in lieu thereof the following:

5 "____. Page 1, by striking lines 28 and 29."

S-3945 FILED & ADOPTED
MAY 14, 1983 (g.1766)

BY NORMAN RODGERS

SENATE FILE 461

H-3884

1 Amend Senate File 461, as passed by the Senate,
2 as follows:
3 1. Page 1, line 6, by inserting after the word
4 "economy" the words ", employment, the state
5 treasury,".
6 2. Page 1, by inserting after line 12 the
7 following:
8 "6. Examine tax preference items.
9 7. May examine the feasibility of creating a tax
10 court to hear matters currently reviewed by the state
11 board of tax review and judicial tax issues."
12 3. Page 1, line 16, by striking the words
13 "unemployment compensation taxes,".
14 4. Page 1, by striking lines 25 through 29 and
15 inserting in lieu thereof the following:
16 "3. The governor shall appoint four members, two
17 of whom shall be appointed from the democratic party
18 membership and subject to the approval of the majority
19 leaders of the senate and house of representatives
20 and two of whom shall be appointed from the republican
21 party membership and subject to the approval of the
22 minority leaders of the senate and house of
23 representatives."
24 5. Page 1, line 31, by striking the words "the
25 governor and".
26 6. Page 2, line 21, by inserting after the period
27 the words "In hiring research personnel, where
28 qualifications are comparable, preference shall be
29 given to Iowa residents."
30 7. Page 2, line 25, by inserting after the word
31 "duties" the words ", except that the study committee
32 or its staff shall not have access to any tax returns
33 or return information where access is specifically
34 limited or prohibited by statute".
35 8. Renumber sections and correct internal
36 references as necessary in accordance with this
37 amendment.

H-3884 FILED APRIL 28, 1983 BY COMMITTEE ON WAYS AND MEANS
Adopted as amended by 4063 5/6/83 (p. 1861)

SENATE FILE 461

H-4063

1 Amend Senate File 461 as passed by the Senate as
2 follows:
3 1. Page 1, by inserting after line 12 the following:
4 "6. Examine the impact of fringe benefits on the
5 state income tax structure and how it affects various
6 taxpayers of the state."

H-4063 FILED MAY 5, 1983 BY LAGESCHULTE of Bremer
Lost 5/6 (p. 1862)

SENATE FILE 461

H-4067

- 1 Amend amendment H-3884 to Senate File 461 as follows:
- 2 1. Page 1, by striking lines 9 through 11.

H-4067 FILED MAY 6, 1983

BY VARN of Johnson

ADOPTED (p. 1860)

SENATE FILE 461

H-4070

- 1 Amend Senate File 461 as follows:
- 2 1. Page 3, by striking lines 10 through 14.

H-4070 FILED MAY 6, 1983

BY VARN of Johnson

ADOPTED BY UNANIMOUS CONSENT (p. 1862)

SENATE AMENDMENT TO
HOUSE AMENDMENT TO SENATE FILE 461

H-4252

1 Amend the House amendment, S-3823, to Senate File
2 461, as passed by the Senate, as follows:

3 1. Page 1, by striking lines 11 through 22 and
4 inserting in lieu thereof the following:

5 "____. Page 1, by striking lines 28 and 29."

H-4252 FILED MAY 14, 1983
CONCURRED (p 2241)

RECEIVED FROM THE SENATE

SENATE FILE 461

AN ACT

TO ESTABLISH A TAX STUDY COMMITTEE TO CONDUCT A STUDY OF THE TAX STRUCTURE IN THIS STATE AND MAKING AN APPROPRIATION.

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

Section 1. PURPOSE. The general assembly finds that the state is currently facing a fiscal and economic crisis and there is a need to study the tax system of the state to:

1. Examine who pays state and local taxes in Iowa.
2. Examine the impact of state and local taxes on the state's economy, employment, the state treasury, and the citizens of the state.
3. Examine changes which could be instituted to raise revenues more equitably and to improve the performance of the state's economy.
4. Determine the enforceability of the state's tax laws.
5. Examine how the state's entire tax structure compares with the tax structures of other states.
6. Examine tax preference items.

The list of revenue raising methods and taxes to be studied shall include, but not be limited to, the sales and use tax, the personal and corporate income tax, the property tax, inheritance and estate taxes, and food use taxes.

Sec. 2. STUDY COMMITTEE CREATED. There is established a tax study committee which shall consist of nine members. The members shall be appointed as follows:

1. The majority and minority leaders of the house of representatives shall each appoint one member.
2. The majority and minority leaders of the senate shall each appoint one member.
3. The governor shall appoint four members, two of whom shall be registered democrats and two of whom shall be registered republicans, subject to confirmation by the senate.
4. One additional member who shall be appointed and approved unanimously by the governor and the majority and

minority leaders of the senate and the house of representatives and this member shall chair the committee.

All members of the tax study committee shall be appointed not later than thirty days from the effective date of this Act. The tax study committee shall hold its organizational meeting not more than thirty days following the appointment of its membership.

Sec. 3. EXPENSES AND PER DIEM. Public members of the tax study committee shall receive a per diem of forty dollars and be reimbursed for their travel and other necessary expenses actually incurred in the performance of their official duties. Legislative members shall receive, when the general assembly is not in session, a per diem of forty dollars and their travel and other expenses incurred in the performance of their official duties from funds appropriated by section 2.12. Public employees who are members of the tax study committee shall be reimbursed for travel and other expenses actually incurred in the performance of their official duties.

Sec. 4. DUTIES. The tax study committee shall conduct a comprehensive study of the state's tax system in accordance with the stated purposes of this Act. The study committee shall employ a tax study director to supervise the study. The tax study director shall hire research personnel to conduct studies which the committee may direct and the tax study director shall advise the committee. In hiring research personnel, where qualifications are comparable, preference shall be given to Iowa residents. The study committee may also employ other persons and may request assistance of any state or local government agency to obtain any data or other information which the study committee deems necessary to carry out its duties, except that the study committee or its staff shall not have access to any tax returns or return information where access is specifically limited or prohibited by statute. The state and local government agencies shall provide any assistance requested by the tax study committee.

Sec. 5. STAFF SUPPORT. The study committee may request that the legislative council provide staff for the tax study committee from the staff of the legislative service bureau and the legislative fiscal bureau.

Sec. 6. FINAL REPORT. The tax study committee shall transmit copies of its final report to the governor and the members of the general assembly on December 1, 1984. The final report shall include findings of fact and its recommendations and relevant data gathered by and for the committee.

Sec. 7. There is appropriated from the general fund of the state to the legislative council for the use of the tax study committee for the fiscal period beginning on the effective date of this Act and ending December 31, 1984 the sum of two hundred fifty thousand (250,000) dollars, or so much thereof as is necessary, to carry out the purposes of this Act.

ROBERT T. ANDERSON
President of the Senate

DONALD D. AVENSON
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 461, Seventieth General Assembly.

K. MARIE THAYER
Secretary of the Senate

Approved _____, 1983

TERRY E. BRANSTAD
Governor