

APR 28 1983

SENATE FILE 538

BY COMMITTEE ON WAYS AND MEANS
Approved 4/28/83

Substituted for H. 7. 643

Passed Senate, Date 5-2-83 (p. 1484) Passed House, Date 5-9-83 (p. 1923)

Vote: Ayes 35 Nays 12 Vote: Ayes 82 Nays 14

Approved May 19, 1983

motion to reconsider 5/3 H/O 5/4

Referred Senate as amended by House

5-10-83 (p. 1625)
34-13

A BILL FOR

1 An Act prohibiting sales and use tax refunds or claims for taxes
2 voluntarily paid based upon an alleged mistake of law under
3 the laws or Constitution of the United States or the
4 Constitution of the State of Iowa and making the Act
5 retroactive.

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

7 SENATE FILE 538

H-4033

1 Amend Senate File 538 as follows:
2 1. Page 1, line 10, by inserting after the
3 numerals "423." the following: "Taxes voluntarily
4 paid shall not include taxes paid under protest.
5 The department shall adopt procedures for payment
6 under protest."

H-4033 FILED MAY 5, 1983
Lost 5/9/83 (p. 1922)

BY HERMANN of Scott

SENATE FILE 538

H-4050

1 Amend Senate File 538 as passed by the Senate as
2 follows:
3 1. Page 1, by inserting after line 13 the following:
4 "Sec. ____ . This Act, being deemed of immediate
5 importance, takes effect from and after its publication
6 in the Telegraph Herald, a newspaper published in
7 Dubuque, Iowa, and in the Independence Bulletin-
8 Journal, a newspaper published in Independence, Iowa."

H-4050 FILED MAY 5, 1983
Adopted 5/9 (p. 1923)

BY COPENHAVER of Buchanan

1 Section 1. Section 422.73, subsection 1, Code 1983, is
2 amended by adding the following new unnumbered paragraph:

3 NEW UNNUMBERED PARAGRAPH. A credit, action, or claim for
4 refund of sales and use taxes voluntarily paid shall not be
5 allowed to the extent that the credit, action, or claim for
6 refund is based upon an alleged mistake of law regarding the
7 validity or legality under the laws or Constitution of the
8 United States or under the Constitution of the State of Iowa,
9 of the tax imposed by division IV of this chapter or by chapter
10 423. This section prevails over any other statutes authorizing
11 sales or use tax refunds or claims.

12 Sec. 2. This Act is retroactive to January 1, 1983 and
13 applies to claims filed on or after January 1, 1983.

14 EXPLANATION

15 The bill eliminates credits, actions or refunds of sales
16 or use taxes voluntarily paid if the claim is based upon an
17 alleged mistake of law regarding the validity or legality
18 of the tax under the laws or Constitution of the United States
19 or under the Constitution of the State of Iowa. The provisions
20 of the bill are similar to the contents of section 422.63
21 which limits claims for franchise tax purposes.

22 This bill takes effect July 1 following enactment and is
23 retroactive to January 1, 1983 to bar all credits, actions,
24 or refunds of sales and use tax claims filed by claimants
25 on or after January 1, 1983.

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HOUSE AMENDMENT TO SENATE FILE 538

S-3860

1 Amend Senate File 538 as passed by the Senate as
2 follows:

3 1. Page 1, by inserting after line 13 the
4 following:

5 "Sec. _____. This Act, being deemed of immediate
6 importance, takes effect from and after its publication
7 in the Telegraph Herald, a newspaper published in
8 Dubuque, Iowa, and in the Independence Bulletin-
9 Journal, a newspaper published in Independence, Iowa."

S-3860 FILED
MAY 9, 1983

RECEIVED FROM THE HOUSE

Senate concurred 5/10/83 (p. 1624)

SENATE 8
MAY 2, 1983

SENATE FILE 538
FISCAL NOTE

REQUESTED BY SENATOR PALMER

In compliance with a written request there is hereby submitted a Fiscal Note for Senate File 538 pursuant to Joint Rule 17.

Senate File 538 eliminates credits, actions or refunds of sales or use taxes voluntarily paid if the claim is based upon an alleged mistake of law regarding the validity or legality of the tax under the laws or Constitution of the United States or under the Constitution of the State of Iowa. The provisions of the bill are similar to the contents of section 422.63, which limits claims for franchise tax purposes.

The bill takes effect July 1, following enactment, and is retroactive to January 1, 1983 to bar all credits, actions, or refunds of sales and use tax claims filed by claimants on or after January 1, 1983.

FISCAL IMPACT: The effect of this bill is to protect the state treasury from having to make refunds on the sales and use tax imposed on newsprint and ink, a tax similar to one imposed by the State of Minnesota since declared unconstitutional by the United States Supreme Court. If the claims are filed, it is estimated that refunds for claims covering the past five years (statute of limitations) would range from \$4-6 million. The passage of this bill would preclude payments of those amounts.

(1720S, 83-489, CMG)

SOURCE: DEPT. OF REVENUE

FILED:
APRIL 29, 1983

BY LEGISLATIVE FISCAL BUREAU
DENNIS C. PROUTY, DIRECTOR

SENATE FILE 539

S-3753

- 1 Amend Senate File 539 as follows:
- 2 1. Page 1, by striking lines 10 and 11 and
- 3 inserting in lieu thereof the words "on each cigarette
- 4 ~~which shall not be considered as part of the basic~~
- 5 ~~cost of cigarettes as defined in section 551A-2."~~

S-3753 FILED
MAY 2, 1983

BY COMMITTEE ON WAYS & MEANS
WILLIAM PALMER, CHAIR

SENATE FILE 539

S-3776

- 1 Amend Senate File 539 as follows:
- 2 1. Page 1, lines 6 and 7, by striking the words
- 3 "~~and ending June 30, 1983~~" and inserting in lieu
- 4 thereof the words "and ending June 30, 1983 1984".

S-3776 FILED
MAY 3, 1983

BY EDGAR H. HOLDEN

SENATE FILE 539

S-3777

- 1 Amend Senate File 539 as follows:
- 2 1. Page 1, line 9, by striking the word "nine"
- 3 and inserting in lieu thereof the words "nine eighteen".
- 4 2. Page 1, line 22, by striking the word "two"
- 5 and inserting in lieu thereof the words "two one".

S-3777 FILED
MAY 3, 1983

BY EDGAR H. HOLDEN

SENATE FILE 539

S-3778

- 1 Amend Senate File 539 as follows:
- 2 1. Page 1, by striking lines 18 through 22 and
- 3 inserting in lieu thereof the words "and to no other
- 4 person. ~~Stamps shall be sold to the permit holders~~
- 5 ~~at a discount of not to exceed five percent of the~~
- 6 ~~face value. --However, for the fiscal biennium begin-~~
- 7 ~~ning July 1, 1981 and ending June 30, 1983, stamps~~
- 8 ~~shall be sold to permit holders at a discount of two~~
- 9 ~~percent of the face value."~~

S-3778 FILED
MAY 3, 1983

BY EDGAR H. HOLDEN

Sec. 3. This Act, being deemed of immediate importance, takes effect from and after its publication in the Telegraph Herald, a newspaper published in Dubuque, Iowa, and in the Independence Bulletin-Journal, a newspaper published in Independence, Iowa.

SENATE FILE 538

AN ACT

PROHIBITING SALES AND USE TAX REFUNDS OR CLAIMS FOR TAXES VOLUNTARILY PAID BASED UPON AN ALLEGED MISTAKE OF LAW UNDER THE LAWS OR CONSTITUTION OF THE UNITED STATES OR THE CONSTITUTION OF THE STATE OF IOWA AND MAKING THE ACT RETROACTIVE.

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

Section 1. Section 422.73, subsection 1, Code 1983, is amended by adding the following new unnumbered paragraph:
NEW UNNUMBERED PARAGRAPH. A credit, action, or claim for refund of sales and use taxes voluntarily paid shall not be allowed to the extent that the credit, action, or claim for refund is based upon an alleged mistake of law regarding the validity or legality under the laws or Constitution of the United States or under the Constitution of the State of Iowa, of the tax imposed by division IV of this chapter or by chapter 423. This section prevails over any other statutes authorizing sales or use tax refunds or claims.

Sec. 2. This Act is retroactive to January 1, 1983 and applies to claims filed on or after January 1, 1983.

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 538, Seventieth General Assembly.

K. MARIE THAYER
Secretary of the Senate

Approved May 19, 1983

TERRY E. BRANSTAD
Governor