

May 2, 1985

FILED FEB 7 1985

SENATE FILE 212

BY HOLDEN

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

### A BILL FOR

1 An Act to permit nonresidents to file quarterly declarations  
2 of estimates and quarterly payments of individual income  
3 tax and providing an effective date.

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

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7  
8

STATE OF IOWA

### FISCAL NOTE

LSB No. 2147S  
Staff ID. CMG

SENATE FILE 212

In compliance with a written request received February 12, 1985, a fiscal note for SENATE FILE 212 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note are available from the Legislative Fiscal Bureau to members of the Legislature upon request.

SENATE FILE 212 allows nonresidents to file quarterly declarations of estimates of taxes on non-wage income subject to tax in this state. This provision is an alternative to the current procedure, which allows the filing of a single declaration and payment of all estimated taxes by April 30. The bill takes effect January 1 following enactment for tax years beginning on or after that date.

FISCAL IMPACT: Senate File 212 would result in a decrease in state revenues because the estimated tax receipts would be delayed. The actual dollar amount of the fiscal effect cannot be provided as the number of nonresidents with non-wage income who would use this option is not available.

FILED MAR 1 1985

Source: Department of Revenue

(LSB 2147S, CMG)

Senator Bruner

1 Section 1. Section 422.17, Code 1985, is amended to read  
2 as follows:

3 422.17 CERTIFICATE ISSUED BY DEPARTMENT TO MAKE PAYMENTS  
4 WITHOUT WITHHOLDING.

5 Any nonresident whose Iowa income is not subject to section  
6 422.16, subsection 1, in whole or in part, and who elects to  
7 be governed by section 422.16, subsection 12 ~~of said section~~  
8 to the extent that the nonresident makes such the declaration  
9 and pays the entire amount of tax properly estimated  
10 thereunder under that section on or before the last day of the  
11 fourth month of the nonresident's tax year, or elects to file  
12 quarterly estimates as provided in section 422.16, subsection  
13 11, paragraph "a" for such the year, may for each such year of  
14 ~~each-such~~ election and such payment, be granted a certificate  
15 from the department authorizing each withholding agent, the  
16 income from whom the nonresident has included in the  
17 nonresident's declaration of estimate and to the extent such  
18 income is included in such the declaration of estimate, to  
19 make payments to such the nonresident without withholding such  
20 tax from such the payments. Withholding agents, whenever such  
21 the payments exceed the amount estimated by such the  
22 nonresident upon the nonresident's declaration of estimate, as  
23 indicated upon such the certificate, shall proceed to withhold  
24 tax in accordance with subsection 12 of section 422.16.

25 Sec. 2. This Act takes effect January 1 following enact-  
26 ment for tax years beginning on or after that date.

27 EXPLANATION

28 The bill allows nonresidents to file quarterly declarations  
29 of estimates of taxes on income subject to tax in this state.  
30 This procedure is in addition to the one currently provided in  
31 the law which allows the filing of one declaration and payment  
32 of all of the taxes by April 30. The bill takes effect  
33 January 1 following enactment for tax years beginning on or  
34 after that date.

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