

House Ways & Means 2-22-89 (p. 535)
DO PASS, 4-6-89 (p. 1408)

Reprinted

FILED FEB 06 1989

SENATE FILE 154
BY COMMITTEE ON WAYS AND
MEANS

(SUCCESSOR TO SSB 53)

Passed Senate, Date 2/16/89 (p. 426) Passed House, Date _____
Vote: Ayes 49 Nays 0 Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the state's cigarette and tobacco products
2 tax; fuel tax; withholding tax; corporate and personal income
3 tax; sales, services and use tax; franchise tax; hotel and
4 motel tax; property tax exemptions; and inheritance and estate
5 taxes; and providing a penalty.

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

7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23

SF 154

1 Section 1. Section 98.22, subsection 1, Code 1989, is
2 amended to read as follows:

30823 1. If a person holding a permit issued by the department
4 under this division, including a retailer permit for railway
5 car, has willfully violated section 98.2, the department shall
6 revoke the permit upon notice and hearing. If the person
7 violates any other provision of this division, or a rule
8 adopted under this division, or is substantially delinquent in
9 the payment of a tax administered by the department or the
10 interest or penalty on the tax, or if the person is a
11 corporation and if any officer having a substantial legal or
12 equitable interest in the ownership of the corporation owes
13 any delinquent tax of the permit-holding corporation, or
14 interest or penalty on the tax, administered by the
15 department, the department may revoke the permit issued to the
16 person, after giving the permit holder an opportunity to be
17 heard upon ten days' written notice stating the reason for the
18 contemplated revocation and the time and place at which the
19 person may appear and be heard. ~~The hearing shall be held in~~
20 ~~the county of the permit holder's place of business, or in a~~
21 ~~county in or through which it transacts business.~~ The hearing
22 before the department may be held at a site in the state as
23 the department may direct. The notice shall be given by
24 mailing a copy to the permit holder's place of business as it
25 appears on the application for a permit. If, upon hearing,
26 the department finds that the violation has occurred, the
27 department may revoke the permit.

28 Sec. 2. Section 98.37, Code 1989, is amended to read as
29 follows:

30 98.37 CERTAIN OFFENSES AND PENALTIES PROVIDED.

31 A person who violates a provision of this division is
32 guilty of a simple misdemeanor fraudulent practice unless
33 otherwise provided in this division.

34 Sec. 3. Section 98.44, subsection 3, Code 1989, is amended
35 to read as follows:

1 3. A person without this state who ships or transports
2 tobacco products to retailers in this state, to be sold by
3 those retailers, may make application for a license as a
4 distributor, be granted such a license by the director, and
5 thereafter be subject to all the provisions of this division
6 and entitled to act as a licensed distributor, ~~provided the~~
7 ~~person files proof with the person's application that the~~
8 ~~person has appointed the secretary of state for the service of~~
9 ~~process relating to any matter or issue arising under this~~
10 ~~division--A foreign corporation applying for a distributor's~~
11 ~~license need not qualify as such if it files the proof of~~
12 ~~appointment of the secretary of state for service of process~~
13 ~~as provided in this subdivision.~~

14 Sec. 4. Section 324.4, unnumbered paragraph 2, Code 1989,
15 is amended to read as follows:

16 ~~A license shall not be issued if the applicant is a foreign~~
17 ~~corporation, unless it is at the time properly qualified under~~
18 ~~the laws of this state to do business in this state. The~~
19 department may deny the issuance of a license to an applicant
20 who is substantially delinquent in the payment of a tax due,
21 or the interest or penalty on the tax, administered by the
22 department. If the applicant is a partnership, a license may
23 be denied if a partner owes any delinquent tax, ~~penalty or~~
24 interest, or penalty. If the applicant is a corporation, a
25 license may be denied if any officer having a substantial
26 legal or equitable interest in the ownership of the
27 corporation owes any delinquent tax, interest, or penalty of
28 the applicant corporation.

29 Sec. 5. Section 324.17, subsection 7, Code 1989, is
30 amended to read as follows:

31 7. A refund shall not be paid with respect to motor fuel
32 or special fuel purchased more than ~~three~~ four calendar months
33 prior to the date the claim was filed with the department.

34 Sec. 6. Section 324.36, subsection 2, Code 1989, is
35 amended to read as follows:

1 2. APPLICATION. Application for a special fuel dealer's
2 license or a special fuel user's license shall be made to the
3 department. A special fuel dealer's license or a special fuel
4 user's license, whichever is applicable, shall be required for
5 each separate place of business or location where special
6 fuels are regularly delivered or placed into the fuel supply
7 tank of a motor vehicle or aircraft. However, if a special
8 fuel dealer also operates one or more bulk plants from which
9 the distribution of a special fuel is primarily by tank
10 vehicle, the special fuel dealer need not obtain a separate
11 license for any of these plants not provided with fixed
12 equipment designed for fueling vehicles or aircraft. Upon
13 written application and at the discretion of the director, a
14 special fuel user whose business operations require mobile
15 special fuel storage may obtain a single special fuel user's
16 license to be issued to the user's permanent principal place
17 of business. Upon written application and at the discretion
18 of the director, a special fuel dealer may be issued a special
19 license to dispense fuel from a tankwagon into the fuel supply
20 tank of a motor vehicle. The special license shall be issued
21 for the dealer's place of business and all of the provisions
22 of this division apply to the dispensing of fuel from
23 tankwagons. A special fuel dealer is not required to obtain a
24 special license to dispense fuel from a tankwagon into the
25 fuel supply tank of an aircraft.

26 Sec. 7. Section 324.65, unnumbered paragraph 2, Code 1989,
27 is amended to read as follows:

28 The appropriate state agency shall not remit any part of a
29 penalty for delinquent payment where if the delinquency
30 results from the fact that a check given in payment is not
31 honored because of insufficient funds in the account upon
32 which the check was drawn. However, if it appears as a result
33 of an investigation ~~or-from-a-preponderance-of-the-evidence~~
34 ~~adduced-at-a-hearing~~ that there has been a deliberate attempt
35 on the part of a licensee or other person to evade payment of

1 fuel taxes there shall be added to the assessment against the
2 offending person and collected a penalty of seventy-five
3 percent of the tax due. Any A report required of licensees or
4 persons operating under ~~divisions I, II and~~ division III, upon
5 which no tax ~~may-be~~ is due, is subject to a penalty of ten
6 dollars if the report is not timely filed with the appropriate
7 state-agency state department of transportation.

8 Sec. 8. Section 324.67, Code 1989, is amended to read as
9 follows:

10 324.67 LIMITATION ON COLLECTION PROCEEDINGS.

11 An action or other proceeding shall not be maintained to
12 enforce collection of any amount of fuel tax, penalty, or
13 interest over and above the amount shown to be due by reports
14 filed by a licensee except upon an assessment by the
15 department of revenue and finance as authorized in this
16 chapter. ~~No~~ An assessment shall not be made covering any a
17 period beyond three years prior to the date of assessment
18 except that the period for the examination and determination
19 of the correct amount of tax is unlimited in the case of a
20 false or fraudulent return made with the intent to evade tax
21 or in the case of a failure to file a return.

22 Sec. 9. Section 324.68, unnumbered paragraph 1, Code 1989,
23 is amended to read as follows:

24 If a licensee files a false report of the data or
25 information required by this chapter, or fails, refuses, or
26 neglects to file a report required by this chapter, or to pay
27 the full amount of fuel tax as required by this chapter, or is
28 substantially delinquent in paying a tax due, owing, and
29 administered by the department of revenue and finance, and
30 interest and penalty if appropriate, or if the person is a
31 corporation and if any officer having a substantial legal or
32 equitable interest in the ownership of the corporation owes
33 any delinquent tax of the licensee corporation, or interest or
34 penalty on the tax, administered by the department, then after
35 ten days' written notice by mail directed to the last known

1 address of the licensee setting a time and place at which the
2 licensee may appear and show cause why the license should not
3 be canceled, and if the licensee fails to appear or if upon
4 the hearing it is shown ~~by a preponderance of the evidence~~
5 that the ~~failure~~ licensee failed to correctly report or pay
6 ~~was with intent to evade~~ the tax, the appropriate state agency
7 may cancel the license and shall notify the licensee of the
8 cancellation by mail to the licensee's last known address.

9 Sec. 10. NEW SECTION. 421.10 APPEAL PERIOD -- DENIAL OF
10 TAXPAYER'S CLAIM.

11 The appeal period for revision of assessment of tax,
12 interest, and penalties set out under section 98.29, 98.46,
13 324.64, 422.28, or 422.54 applies to appeals to notices from
14 the department denying changes in filing methods, denying
15 refund claims, and denying portions of refund claims for the
16 tax covered by that section.

17 Sec. 11. Section 422.5, subsection 1, paragraph k,
18 unnumbered paragraph 4, Code 1989, is amended to read as
19 follows:

20 In the case of a resident, including a resident estate or
21 trust, the state's apportioned share of the state alternative
22 minimum tax is one hundred percent of the state alternative
23 minimum tax computed in this subsection. In the case of a
24 nonresident, including a nonresident estate or trust, or an
25 individual, estate, or trust that is domiciled in the state
26 for less than the entire tax year, the state's apportioned
27 share of the state alternative minimum tax is the amount of
28 tax computed under this subsection, reduced by the applicable
29 credits in sections ~~422.10, 422.11, 422.11A,~~ and through
30 422.12 and this result multiplied by a fraction with a
31 numerator of the sum of state net income allocated to Iowa as
32 determined in section 422.8, subsection 2, plus tax preference
33 items, adjustments, and losses under subparagraph (1)
34 attributable to Iowa and with a denominator of the sum of
35 total net income computed under section 422.7 plus all tax

1 preference items, adjustments, and losses under subparagraph
2 (1). In computing this fraction, those items excludable under
3 subparagraph (1) shall not be used in computing the tax
4 preference items. Married taxpayers electing to file separate
5 returns or separately on a combined return must allocate the
6 minimum tax computed in this subsection in the proportion that
7 each spouse's respective preference items, adjustments, and
8 losses under subparagraph (1) bear to the combined preference
9 items, adjustments, and losses under subparagraph (1) of both
10 spouses.

11 Sec. 12. Section 422.6, unnumbered paragraph 1, Code 1989,
12 is amended to read as follows:

13 The tax imposed by section 422.5 less the ~~credits~~ credit
14 allowed under section 422.10~~7~~-~~section-422:11~~7, and the personal
15 exemption credit allowed under section 422.12 apply to and are
16 a charge against estates and trusts with respect to their
17 taxable income, and the rates are the same as those applicable
18 to individuals. The fiduciary shall make the return of income
19 for the estate or trust for which the fiduciary acts, whether
20 the income is taxable to the estate or trust or to the
21 beneficiaries.

22 Sec. 13. Section 422.7, unnumbered paragraph 1, Code 1989,
23 is amended as follows:

24 The term "net income" means the adjusted gross income
25 before the net operating loss deduction as properly computed
26 for federal income tax purposes under the Internal Revenue
27 Code, with the following adjustments:

28 Sec. 14. Section 422.11A, Code 1989, is amended to read as
29 follows:

30 422.11A NEW JOBS TAX CREDIT.

31 The taxes imposed under this division, less credits allowed
32 under sections 422.10~~7~~-~~422:11~~ and 422.12, shall be reduced by
33 a new jobs tax credit. An industry which has entered into an
34 agreement under chapter 280B and which has increased its base
35 employment level by at least ten percent within the time set

1 in the agreement or, in the case of an industry without a base
2 employment level, adds new jobs within the time set in the
3 agreement is entitled to this new jobs tax credit for the tax
4 year selected by the industry. In determining if the industry
5 has increased its base employment level by ten percent or
6 added new jobs, only those new jobs directly resulting from
7 the project covered by the agreement and those directly
8 related to those new jobs shall be counted. The amount of
9 this credit is equal to the product of six percent of the
10 taxable wages upon which an employer is required to contribute
11 to the state unemployment compensation fund, as defined in
12 section 96.19, subsection 20, times the number of new jobs
13 existing in the tax year that directly result from the project
14 covered by the agreement or new jobs that directly result from
15 those new jobs. The tax year chosen by the industry shall
16 either begin or end during the period beginning with the date
17 of the agreement and ending with the date by which the project
18 is to be completed under the agreement. An individual may
19 claim the new jobs tax credit allowed a partnership,
20 subchapter S corporation, or estate or trust electing to have
21 the income taxed directly to the individual. The amount
22 claimed by the individual shall be based upon the pro rata
23 share of the individual's earnings of a the partnership,
24 subchapter S corporation, or estate or trust. Any credit in
25 excess of the tax liability for the tax year may be credited
26 to the tax liability for the following ten tax years or until
27 depleted, whichever is the earlier. For purposes of this
28 section, "agreement", "industry", "new job" and "project" mean
29 the same as defined in section 280B.2 and "base employment
30 level" means the number of full-time jobs an industry employs
31 at the plant site which is covered by an agreement under
32 chapter 280B on the date of that agreement.

33 Sec. 15. Section 422.13, subsection 1, unnumbered
34 paragraph 1, Code 1989, is amended to read as follows:

35 1. Every A resident and or nonresident of this state shall

1 make ~~and-sign~~ a return, signed in accordance with forms and
2 rules prescribed by the director, if any of the following are
3 applicable:

4 Sec. 16. Section 422.14, subsection 1, Code 1989, is
5 amended to read as follows:

6 1. Every A fiduciary subject to taxation under the
7 ~~provisions of~~ this division, as provided in section 422.6,
8 shall make ~~and-sign~~ a return, signed in accordance with forms
9 and rules prescribed by the director, for the individual,
10 estate, or trust for whom or for which the fiduciary acts, if
11 the taxable income thereof amounts to six hundred dollars or
12 more. A nonresident fiduciary shall file a copy of the
13 federal income tax return for the current tax year with the
14 return required by this section.

15 Sec. 17. Section 422.16, subsection 11, paragraph a, Code
16 1989, is amended to read as follows:

17 a. Every A person or married couple filing a return shall
18 make estimated tax payments if the person's or couple's Iowa
19 income tax attributable to income other than wages subject to
20 withholding can reasonably be expected to amount to fifty
21 dollars or more for the taxable year, except that, in the
22 cases of farmers and fishermen, the exceptions provided in the
23 Internal Revenue Code with respect to making estimated
24 payments apply. The estimated tax shall be paid in quarterly
25 installments. The first installment shall be paid on or
26 before the last day of the fourth month of the taxpayer's tax
27 year for which the estimated payments apply. The other
28 installments shall be paid on or before ~~June-30, September-30,~~
29 ~~and January-31~~ the last day of the sixth month of the tax
30 year, the last day of the ninth month of the tax year, and the
31 last day of the first month after the tax year. However, at
32 the election of the person or married couple, any an
33 installment of the estimated tax may be paid prior to the date
34 prescribed for its payment. If a person or married couple
35 filing a return has reason to believe that the person's or

1 couple's Iowa income tax may increase or decrease, either for
2 purposes of meeting the requirement to make estimated tax
3 payments or for the purpose of increasing or decreasing
4 estimated tax payments, the person or married couple shall
5 increase or decrease any subsequent estimated tax payments
6 accordingly.

7 Sec. 18. Section 422.16, subsection 14, Code 1989, is
8 amended by adding the following new unnumbered paragraph:

9 NEW UNNUMBERED PARAGRAPH. If the withholding agent fails
10 to file the bond as requested by the director to secure
11 collection of the tax, the withholding agent is subject to
12 penalty for failure to file the bond. The penalty is equal to
13 fifteen percent of the tax the withholding agent is required
14 to withhold on an annual basis. However, the penalty shall
15 not exceed five thousand dollars.

16 Sec. 19. Section 422.25, subsection 7, Code 1989, is
17 amended to read as follows:

18 7. The periods of limitation provided by this section may
19 be extended by the taxpayer by signing a waiver agreement to
20 be provided by the department. ~~Such~~ The agreement shall
21 stipulate the period of extension and the year or years to
22 which ~~such~~ the extension applies. It shall further provide
23 that a claim for refund may be filed by the taxpayer at any
24 time during the period of extension. ~~In-consideration-of-such~~
25 ~~agreement,-interest-due-in-excess-of-thirty-six-months-on~~
26 ~~either-a-tax-deficiency-or-tax-refund-shall-be-waived.~~

27 Sec. 20. Section 422.33, subsection 1, Code 1989, is
28 amended to read as follows:

29 1. A tax is hereby imposed annually upon each corporation
30 organized under the laws of this state, and upon every each
31 foreign corporation doing business in this state, or deriving
32 income from sources within this state, annually in an amount
33 computed by applying the following rates of taxation to the
34 net income received by the corporation during the income year:

35 a. On the first twenty-five thousand dollars of taxable

1 income, or any part thereof, the rate of six percent.

2 b. On taxable income between twenty-five thousand dollars
3 and one hundred thousand dollars or any part thereof, the rate
4 of eight percent.

5 c. On taxable income between one hundred thousand dollars
6 and two hundred fifty thousand dollars or any part thereof,
7 the rate of ten percent.

8 d. On taxable income of two hundred fifty thousand dollars
9 or more, the rate of twelve percent.

10 "Income from sources within this state" means income from
3077 11 real, tangible, or intangible property located or having a
12 situs in this state.

13 Sec. 21. Section 422.33, subsection 2, unnumbered
14 paragraph 1, Code 1989, is amended to read as follows:

15 If the trade or business of the corporation is carried on
16 entirely within the state, the tax shall be imposed on the
17 entire net income, but if the trade or business is carried on
18 partly within and partly without the state or if income is
19 derived from sources partly within and partly without the
20 state, the tax shall be imposed only on the portion of the net
21 income reasonably attributable to the trade or business or
22 sources within the state, with the net income attributable to
23 the state to be determined as follows:

24 Sec. 22. Section 422.33, subsection 6, Code 1989, is
25 amended by striking the subsection.

3062 26 Sec. 23. Section 422.36, subsection 1, Code 1989, is
27 amended to read as follows:

28 1. Every A corporation shall make a return and the same
29 return shall be signed by the president or other duly
30 authorized officer in accordance with forms and rules
31 prescribed by the director. Before a corporation ~~shall be~~ is
32 dissolved and its assets distributed it shall make a return
33 for any settlement of the tax for any income earned in the
34 income year up to its final date of dissolution.

35 Sec. 24. Section 422.51, subsection 3, Code 1989, is

1 amended to read as follows:

2 3. Returns shall be signed by the retailer or the
3 retailer's duly authorized agent, and must be duly certified
4 by the retailer to be correct in accordance with forms and
5 rules prescribed by the director.

6 Sec. 25. Section 422.52, Code 1989, is amended by adding
7 the following new subsection:

8 NEW SUBSECTION. 7. If an amount of tax represented by a
9 retailer to a consumer or user as constituting tax due is
10 computed upon gross receipts that are not taxable or the
11 amount represented is in excess of the actual taxable amount
12 and the amount represented is actually paid by the consumer or
13 user to the retailer, the excess amount of tax paid shall be
14 returned to the consumer or user upon notification to the
15 retailer by the department or by the consumer or user that an
16 excess payment exists. If the retailer fails to make a re-
17 turn, the amount which the consumer or user has paid to the
18 retailer shall be remitted by the retailer to the department.

19 Sec. 26. Section 422.85, Code 1989, is amended to read as
20 follows:

21 422.85 DECLARATION-AND-PAYMENT IMPOSITION OF ESTIMATED
22 TAX.

23 Every A taxpayer subject to the tax imposed by sections
24 422.33 and 422.60 shall file-a-declaration make payments of
25 estimated tax for the taxable year if the amount of tax
26 payable, less credits, can reasonably be expected to be more
27 than one thousand dollars for the taxable year. For purposes
28 of this division, "estimated tax" means the amount which the
29 taxpayer estimates to be the tax due and payable under
30 division III or V of this chapter for the taxable year. ~~If~~
31 ~~during-the-first-quarter-of-the-taxable-year-it-is-determined~~
32 ~~that-the-taxpayer's-tax-liability-for-the-taxable-year-will~~
33 ~~exceed-one-thousand-dollars,--the-declaration-of-estimated-tax~~
34 ~~shall-be-filed-on-or-before-the-last-day-of-the-fourth-month~~
35 ~~of-the-taxable-year.--If-after-the-last-day-of-the-third-month~~

1 and-before-the-first-day-of-the-sixth-month-of-the-taxable
2 year-it-is-determined-that-the-taxpayer's-tax-liability-for
3 the-taxable-year-will-exceed-one-thousand-dollars,-the
4 declaration-of-estimated-tax-shall-be-filed-on-or-before-the
5 last-day-of-the-sixth-month-of-the-taxable-year.--If-after-the
6 last-day-of-the-fifth-month-and-before-the-first-day-of-the
7 ninth-month-of-the-taxable-year-it-is-determined-that-the
8 taxpayer's-tax-liability-for-the-taxable-year-will-exceed-one
9 thousand-dollars,-the-declaration-of-estimated-tax-shall-be
10 filed-on-or-before-the-last-day-of-the-ninth-month-of-the
11 taxable-year.--If-after-the-last-day-of-the-eighth-month-and
12 before-the-first-day-of-the-twelfth-month-of-the-taxable-year
13 it-is-determined-that-the-taxpayer's-tax-liability-for-the
14 taxable-year-will-exceed-one-thousand-dollars,-the-declaration
15 of-estimated-tax-shall-be-filed-on-or-before-the-last-day-of
16 the-taxable-year.

17 Sec. 27. Section 422.86, Code 1989, is amended to read as
18 follows:

19 422.86 PAYMENT OF ESTIMATED TAX.

20 A taxpayer required to file-a-declaration-of pay estimated
21 tax under section 422.85 shall pay the estimated tax in
22 accordance with the following schedule:

23 1. If the-declaration-of-estimated-tax-is-filed it is
24 first determined that the estimated tax will be greater than
25 one thousand dollars on or before the last day of the fourth
26 month of the taxable year, the estimated tax shall be paid in
27 four equal installments. The first installment shall be paid
28 at-the-time-of-the-filing-of-the-declaration not later than
29 the last day of the fourth month of the taxable year. The
30 second and third installments shall be paid not later than the
31 last day of the sixth and ninth months of the taxable year,
32 and the final installment shall be paid on or before the last
33 day of the taxable year.

34 2. If the-declaration-of-estimated-tax-is-timely-filed it
35 is first determined that the estimated tax will be greater

1 than one thousand dollars after the last day of the fourth
2 month but not later than the last day of the sixth month of
3 the taxable year, the estimated tax shall be paid in three
4 equal installments. The first installment shall be paid at
5 ~~the time of the filing of the declaration~~ not later than the
6 last day of the sixth month of the taxable year. The second
7 installment shall be paid on or before the last day of the
8 ninth month of the taxable year and the third installment
9 shall be paid on or before the last day of the taxable year.

10 3. ~~If the declaration of estimated tax is timely filed it~~
11 is first determined that the estimated tax will be greater
12 than one thousand dollars after the last day of the sixth
13 month ~~and not after~~ but not later than the last day of the
14 ninth month of the taxable year, the estimated tax shall be
15 paid in two equal installments. The first installment shall
16 be paid ~~at the time of the filing of the declaration~~ not later
17 than the last day of the ninth month and the second
18 installment shall be paid on or before the last day of the
19 taxable year.

20 4. ~~If the declaration of estimated tax is timely filed it~~
21 is first determined that the estimated tax will be greater
22 than one thousand dollars after the last day of the ninth
23 month of the taxable year, the estimated tax shall be paid in
24 full ~~at the time of the filing of the declaration~~ on or before
25 the last day of the taxable year.

26 ~~5. If the declaration of estimated tax is not filed as~~
27 ~~required under section 422.85, all installments of estimated~~
28 ~~tax which would have been payable on or before such time shall~~
29 ~~be paid at the time the declaration of estimated tax is filed.~~
30 ~~The remaining installments of estimated tax, if any, shall be~~
31 ~~paid at the time and in the amounts in which they would have~~
32 ~~been payable if the declaration had been timely filed.~~

33 5. If an amendment to a declaration is filed, after paying
34 any installment of estimated tax, the taxpayer makes a new
35 estimate, the remaining installments shall be ratably adjusted

1 to reflect the increase or decrease in the estimated tax by
2 reason-of-such-amendment.

3 Sec. 28. Section 422.91, unnumbered paragraph 1, Code
4 1989, is amended to read as follows:

5 Any amount of estimated tax paid ~~on-a-declaration-of~~
6 ~~estimated-tax-shall-be~~ is a credit against the amount of tax
7 due on a final, completed return, and any overpayment of five
8 dollars or more shall be refunded to the taxpayer with
9 interest, the interest to begin to accrue on the first day of
10 the second calendar month following the date of payment or the
11 date the return was due to be filed or was filed, whichever is
12 the latest, at the rate established under section 421.7, and
13 the return ~~shall-constitute~~ constitutes a claim for refund for
14 this purpose. Amounts less than five dollars shall be
15 refunded to the taxpayer only upon written application in
16 accordance with section 422.73, ~~but~~ and only if the
17 application is filed within twelve months after the due date
18 for the return.

19 Sec. 29. Section 422.92, Code 1989, is amended to read as
20 follows:

21 422.92 ADMINISTRATION.

22 A taxpayer having a taxable year of less than twelve months
23 shall ~~file-a-declaration-of~~ pay estimated tax under rules
24 adopted by the director. ~~The-director-shall-adopt-rules~~
25 ~~relating-to-the-filing-of-amended-declarations-and-payments-of~~
26 ~~estimated-tax-by-taxpayers-having-a-taxable-year-of-less-than~~
27 ~~twelve-months.--The-director-shall-also-adopt-rules-to-permit~~
28 ~~a-taxpayer-to-amend-a-declaration-of-estimated-tax.~~

29 Sec. 30. Section 422A.1, unnumbered paragraph 7, Code
30 1989, is amended to read as follows:

31 The tax ~~herein~~ levied shall be in addition to any state
32 sales tax imposed under section 422.43. ~~The-provisions-of~~
33 ~~sections~~ Sections 422.25, subsection 4, 422.30, 422.48 to
34 422.52, 422.54 to 422.58, 422.67, 422.68, 422.69, subsection
35 1, and 422.70 to 422.75, consistent with the provisions of

1 this chapter, ~~shall~~ apply with respect to the taxes authorized
2 under this chapter, in the same manner and with the same
3 effect as if the hotel and motel taxes were retail sales taxes
4 within the meaning of those statutes. Notwithstanding the
5 ~~provisions~~ of this paragraph, the director shall provide for
6 ~~only~~ quarterly filing of returns as prescribed in section
7 422.51 and for other than quarterly filing of returns as
8 prescribed in section 422.51, subsection 2. ~~Further~~ ~~the~~ The
9 director may require all persons, as defined in section
10 422.42, who are engaged in the business of deriving gross
11 receipts subject to tax under this chapter, to register with
12 the department.

13 Sec. 31. Section 423.13, unnumbered paragraph 1, Code
14 1989, is amended to read as follows:

15 Each A permit holder required or authorized, pursuant to
16 section 423.9 or 423.10, to collect or pay the tax imposed,
17 shall remit to the department the amount of tax, on or before
18 the last day of the month following each calendar quarterly
19 period. However, a retailer who collects or owes more than
20 fifteen hundred dollars in use taxes in a month shall deposit
21 with the department or in a depository authorized by law and
22 designated by the director, the amount collected or owed, with
23 a deposit form for the month as prescribed by the director.
24 The deposit form is due on or before the twentieth day of the
25 month following the month of collection, except a deposit is
26 not required for the third month of the calendar quarter, and
27 the total quarterly amount, less the amounts deposited for the
28 first two months of the quarter, is due with the quarterly
29 report on the last day of the month following the month of
30 collection. At that time, the retailer shall file with the
31 department a return for the preceding quarterly period in the
32 form prescribed by the director showing the sales price of the
33 tangible personal property sold by the retailer during the
34 preceding quarterly period, the use of which is subject to the
35 tax imposed by this chapter, and other information the

1 director deems necessary for the proper administration of this
2 chapter. The return shall be accompanied by a remittance of
3 the tax for the period covered by the return. If necessary in
4 order to ensure payment to the state of the tax, the director
5 may in any or all cases require returns and payments to be
6 made for other than quarterly periods. The director may, upon
7 request and a proper showing of necessity, grant an extension
8 of time not to exceed thirty days for making any return and
9 payment. Returns shall be signed, in accordance with forms
10 and rules prescribed by the director, by the retailer or the
11 retailer's ~~duly~~ authorized agent, and shall be certified by
12 the retailer or agent to be correct.

13 Sec. 32. Section 423.13, Code 1989, is amended by adding
14 after unnumbered paragraph 1 the following new unnumbered
15 paragraph:

16 NEW UNNUMBERED PARAGRAPH. If it is reasonably expected, as
17 determined by rules prescribed by the director, that a
18 retailer's annual use tax liability will not exceed one
19 hundred twenty dollars for a calendar year, the retailer may
20 request and the director may grant permission to the retailer,
21 in lieu of the quarterly filing and remitting requirements of
22 the first paragraph of this section, to file the return
23 required by and remit the use tax due under this section on a
24 calendar year basis. The return and tax are due and payable
25 no later than January 31 following each calendar year in which
26 the retailer carries on business.

27 Sec. 33. Section 425.7, subsection 3, Code 1989, is
28 amended to read as follows:

29 3. If the director of revenue and finance determines that
30 any a claim for homestead credit has been allowed by any the
31 board of supervisors which is not justifiable under the law
32 and not substantiated by proper facts, the director may, at
33 any time within ~~twenty-four~~ thirty-six months from July 1 of
34 the year in which the claim is allowed, set aside the
35 allowance. Notice of the disallowance shall be given to the

1 county auditor of the county in which the claim has been
2 improperly granted and a written notice of the disallowance
3 shall also be addressed to the claimant at the claimant's last
4 known address. The claimant or the board of supervisors may
5 seek judicial review of the action of the director of revenue
6 and finance in accordance with the Iowa administrative
7 procedure Act.

8 PARAGRAPH DIVIDED. ~~In any case where~~ If a claim is so
9 disallowed by the director of revenue and finance and a
10 petition for judicial review is not filed with respect to the
11 disallowance, any amounts of credits allowed and paid from the
12 homestead credit fund including the penalty, if any, become a
13 lien upon the property on which credit was originally granted,
14 if still in the hands of the claimant, and not in the hands of
15 a bona fide purchaser, and any amount so erroneously paid
16 including the penalty, if any, shall be collected by the
17 county treasurer in the same manner as other taxes and the
18 collections shall be returned to the department of revenue and
19 finance and credited to the homestead credit fund. The
20 director of revenue and finance may institute legal
21 proceedings against a homestead credit claimant for the
22 collection of ~~all~~ payments made on disallowed credits and the
23 penalty, if any. If a homestead credit is disallowed and the
24 claimant failed to give written notice to the assessor as
25 required by section 425.2 when the property ceased to be used
26 as a homestead by the claimant, a civil penalty equal to fifty
27 percent of the amount of the disallowed credit is assessed
28 against the claimant.

29 Sec. 34. Section 426A.6, Code 1989, is amended to read as
30 follows:

31 426A.6 SETTING ASIDE ALLOWANCE.

32 If the director of revenue and finance determines that any
33 a claim for military service tax exemption has been allowed by
34 any a board of supervisors which is not justifiable under the
35 law and not substantiated by proper facts, the director may,

1 at any time within ~~twenty-four~~ thirty-six months from July 1
2 of the year in which the claim is allowed, set aside the
3 allowance. Notice of the disallowance shall be given to the
4 county auditor of the county in which the claim has been
5 improperly granted and a written notice of the disallowance
6 shall also be addressed to the claimant at the claimant's last
7 known address. The claimant or the board of supervisors may
8 seek judicial review of the action of the director of revenue
9 and finance in accordance with chapter 17A. ~~In-any-case,~~
10 ~~where~~ If a claim is ~~so~~ disallowed by the director of revenue
11 and finance and a petition for judicial review is not filed
12 with respect to the disallowance, ~~any-amounts-of~~ the credits
13 allowed and paid from the general fund of the state become a
14 lien upon the property on which the credit was originally
15 granted, if still in the hands of the claimant, and not in the
16 hands of a bona fide purchaser, ~~and-any~~ the amount so
17 erroneously paid shall be collected by the county treasurer in
18 the same manner as other taxes, and the collections shall be
19 returned to the department of revenue and finance and credited
20 to the general fund of the state. The director of revenue and
21 finance may institute legal proceedings against a military
22 service tax exemption claimant for the collection of ~~all~~
23 payments made on disallowed exemptions.

24 Sec. 35. Section 442.15, unnumbered paragraph 2, Code
25 1989, is amended to read as follows:

26 The school district income surtax ~~shall-be~~ is imposed on
27 the state individual income tax for the calendar year during
28 which the school's budget year begins, or for a taxpayer's
29 fiscal year ending during the second half of that calendar
30 year or the first half of the succeeding calendar year, and
31 ~~shall-be~~ is imposed on all individuals residing in the school
32 district on the last day of the applicable tax year. As used
33 in this section, "state individual income tax" means the tax
34 computed under section 422.5, less the deductions allowed in
35 sections 422.10~~7~~-422.11 and 422.12.

1 Sec. 36. Section 450.22, Code 1989, is amended to read as
2 follows:

3 450.22 ADMINISTRATION AVOIDED.

4 When the heirs or persons entitled to inherit the property
5 of an estate subject to tax under this chapter, desire to
6 avoid the appointment of a personal representative as provided
7 in section 450.21, and in all instances where real estate is
8 involved and there are no regular probate proceedings are not
9 had, they or one of them shall file under oath the inventories
10 required by section 633.361 and the required reports, and
11 perform all the duties required by this chapter of the
12 personal representative, and file the inheritance tax return.
13 However, this section does not apply and a return is not re-
14 quired even though real estate is part of the assets subject
15 to tax under this chapter, if all of the assets are held in
16 joint tenancy with right of survivorship between husband and
17 wife alone. Proceedings When this section applies,
18 proceedings for the collection of the tax when a personal
19 representative is not appointed, shall conform as nearly as
20 may-be-to-the-provisions-of possible to proceedings under this
21 chapter in other cases.

22 Sec. 37. Section 451.5, Code 1989, is amended to read as
23 follows:

24 451.5 DUTY OF PERSONAL REPRESENTATIVE.

25 ~~It shall be the duty of the~~ The personal representative of
26 every a decedent whose estate may be subject to the tax
27 imposed by this chapter, to shall file in the office of the
28 director of revenue and finance, ~~within-twelve-months~~ on or
29 before the last day of the ninth month after the death of such
30 the decedent, duplicate copies of the estate tax return
31 provided for in the federal estate tax Act, and in like
32 manner, duplicate copies of all supplemental or amended
33 ~~returns, and the value.~~ The values of all items included in
34 the gross estate, as shown by such those returns, or
35 supplemental or amended returns, shall be ~~taken-and~~ considered

1 as the values of ~~such~~ those items for the purposes of this
2 chapter; ~~and in.~~ In case of any revaluation or correction of
3 valuation of ~~any such~~ any of those items, either by ~~such~~
4 supplemental or amended returns, or by the federal
5 commissioner of internal revenue, or by any an appellate
6 tribunal by which the ~~same may be~~ value is finally determined,
7 ~~such the~~ corrected values shall be ~~taken and~~ considered as the
8 values of ~~such~~ those items for the purposes of this chapter.

9 Sec. 38. Section 422.11, Code 1989, is repealed.

10 Sec. 39. Section 10 of this Act applies to notices from
11 the department denying changes in filing methods, denying
12 refund claims, and denying portions of refund claims issued
13 after the effective date of this Act.

306214 Sec. 40. Sections 13, 20 and 21 of this Act are retro-
15 active to January 1, 1989, for tax years beginning on or after
16 that date.

17 Sec. 41. Sections 17, 18, 26, 27, 28, and 29 of this Act
18 are effective January 1, 1990, for tax years beginning on or
19 after that date.

20 Sec. 42. Section 36 of this Act is retroactive to January
21 1, 1988, for estates of decedents dying on or after that date.

22 Sec. 43. Section 37 of this Act is effective July 1, 1989,
23 for estates of decedents dying on or after that date.

24 EXPLANATION

25 The bill amends a number of provisions of Iowa law relating
26 to taxes administered by the department of revenue and
27 finance.

28 In regard to the cigarette and tobacco products tax, the
29 bill permits the department to designate the site of a
30 cigarette permit revocation hearing, changes the criminal
31 penalty for cigarette smuggling from a simple misdemeanor to a
32 fraudulent practice, and deletes a requirement that the
33 secretary of state be appointed for service of process prior
34 to the issuance of a license to an out-of-state tobacco
35 distributor.

1 In regard to the motor fuel tax, the bill deletes the
2 requirement that a foreign corporation must be certified by
3 the secretary of state to do business in Iowa before a fuel
4 tax license will be issued by the department. The bill
5 lengthens the time to file a claim for fuel tax refund from
6 three months to four months from the date of purchase. The
7 bill authorizes special fuel dealers to dispense fuel from
8 tankwagons. The bill provides for an unlimited period of time
9 for the department to make an assessment of tax when a fuel
10 tax return is not filed or is fraudulently filed with the
11 intent to evade tax. In addition, the bill deletes the ten
12 dollar penalty for the late filing of a fuel tax report with
13 the department if no tax is due except in the case of the
14 interstate fuel use tax and deletes the requirement that an
15 administering state agency must prove by a preponderance of
16 the evidence that a licensee had the intent to evade fuel tax
17 before a license can be revoked.

18 The bill provides specific appeal periods for denials of
19 filing methods, denials of refund claims, and denials of par-
20 tial refund claims for cigarette and tobacco tax, motor fuel
21 tax, personal income tax, corporate income tax, franchise tax,
22 sales tax and use tax.

23 The bill removes the requirement that individual income,
24 fiduciary, corporate income, and sales and use tax returns be
25 physically signed by a taxpayer or representative and provides
26 for the signing in accordance with forms and rules prescribed
27 by the director.

28 In regard to the individual and corporate income tax, the
29 bill repeals references to the obsolete Iowa venture capital
30 fund personal and corporate income tax credits. The bill
31 amends the law to specify that a taxpayer cannot deduct both
32 federal net operating loss and the Iowa net operating
33 deduction on the same Iowa return. It provides due dates for
34 individual filers who make estimated payments on a fiscal-year
35 basis. It provides a penalty for a withholding agent who

1 fails to post bond. The penalty is fifteen percent of the
2 stated income tax the withholding agent is required to
3 withhold on an annual basis, not to exceed five thousand
4 dollars. It allows the accrual of interest during a period of
5 time that the statute of limitations on an assessment has been
6 extended by waiver. The bill also imposes a tax on
7 corporations receiving income from sources within Iowa and
8 allows apportionment of income by Iowa corporations which
9 receive income from sources without the state.

10 In regard to the sales and use tax, the bill provides that
11 the state is the owner of any sales tax illegally collected by
12 a retailer which is not claimed by the consumer who paid it to
13 the retailer.

14 The bill amends the hotel/motel tax to allow the director
15 of the department to require the filing of returns on other
16 than a quarterly basis if a requirement is necessary or
17 advisable to ensure collection of hotel/motel tax. The bill
18 allows retailers who hold use tax permits to remit tax no more
19 than annually if the amount of tax they pay to the department
20 is less than one hundred twenty dollars per year.

21 The bill extends the period of time for auditing claims for
22 homestead tax credits and military service tax exemptions from
23 twenty-four months to thirty-six months.

24 In regard to the state inheritance and estate taxes, the
25 bill eliminates the requirement for filing an inheritance tax
26 return if all of the assets of the estate are held in joint
27 tenancy by both spouses because no tax is due on property re-
28 ceived by the surviving spouse and requires the filing of a
29 copy of the federal estate tax return at the time the state
30 estate tax is due.

31 Numerous effective and applicability dates are provided in
32 the bill.

33
34
35

**SENATE FILE 154
FISCAL NOTE**

A fiscal note for SENATE FILE 154 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

Senate File 154 amends a number of provisions relating to the administration of taxes, auditing and appeals periods, collections matters, penalties, clarifications, and filing requirements. The bill also provides that the state will be the owner of illegally collected sales tax that is not reclaimed by the consumer, repeals obsolete references, and changes the criminal penalty for cigarette smuggling from a simple misdemeanor to a fraudulent practice.

Fiscal Effect

The provisions in this bill will either have no impact on the state's tax receipts or the effect is expected to be minimal.

Source: Department of Revenue and Finance

(LSB 1669s, PDD)

FILED FEBRUARY 7, 1989

BY DENNIS PROUTY, FISCAL DIRECTOR

SENATE FILE 154

S-3062

- 1 Amend Senate File 154 as follows:
- 2 1. Page 10, by inserting after line 25 the
- 3 following:
- 4 "Sec. 100. Section 422.33, Code 1989, is amended
- 5 by adding the following new subsection:
- 6 NEW SUBSECTION. 9. Income of a corporation
- 7 derived from the corporation placing liquor in
- 8 bailment pursuant to section 123.20, subsection 1, is
- 9 not subject to the tax imposed in this division."
- 10 2. Page 20, line 14, by striking the word and
- 11 figure "and 21" and inserting the following: ", 21
- 12 and 100".
- 13 3. Renumber as necessary.

By RICHARD F. DRAKE
WALLY E. HORN

S-3062 FILED FEBRUARY 13, 1989

lost 2-16-89 (p. 426)

SENATE FILE 154

S-3077

- 1 Amend Senate File 154 as follows:
- 2 1. Page 10, line 11, by striking the words "
- 3 tangible, or intangible" and inserting the following:
- 4 "or tangible".

By WILLIAM W. DIELEMAN

S-3077 FILED FEBRUARY 15, 1989

Adopted 2-16-89 (p. 425)

SENATE FILE 154

S-3082

- 1 Amend Senate File 154 as follows:
- 2 1. Page 1, by striking lines 19 through 21, and
- 3 inserting the following: "person may appear and be
- 4 heard. The hearing shall be held in the county of the
- 5 permit holder's place of business, or in a county in
- 6 or through which it transacts business. The hearing".

By JIM LIND

S-3082 FILED FEBRUARY 16, 1989

WITHDRAWN 2-16-89 (p. 425)

SENATE FILE 154
BY COMMITTEE ON WAYS AND
MEANS

(SUCCESSOR TO SSB 53)
(AS AMENDED AND PASSED BY THE SENATE FEBRUARY 16, 1989)

----- - New Language by the Senate

Passed Senate, Date 2/16/89 (+ 436) Passed House, Date 4-18-89 (p2)89
Vote: Ayes 49 Nays 0 Vote: Ayes 91 Nays 0
Approved May 29, 1989

A BILL FOR

1 An Act relating to the state's cigarette and tobacco products
2 tax; fuel tax; withholding tax; corporate and personal income
3 tax; sales, services and use tax; franchise tax; hotel and
4 motel tax; property tax exemptions; and inheritance and estate
5 taxes; and providing a penalty.

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

- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21

S.F. 154

1 Section 1. Section 98.22, subsection 1, Code 1989, is
2 amended to read as follows:

3 1. If a person holding a permit issued by the department
4 under this division, including a retailer permit for railway
5 car, has willfully violated section 98.2, the department shall
6 revoke the permit upon notice and hearing. If the person
7 violates any other provision of this division, or a rule
8 adopted under this division, or is substantially delinquent in
9 the payment of a tax administered by the department or the
10 interest or penalty on the tax, or if the person is a
11 corporation and if any officer having a substantial legal or
12 equitable interest in the ownership of the corporation owes
13 any delinquent tax of the permit-holding corporation, or
14 interest or penalty on the tax, administered by the
15 department, the department may revoke the permit issued to the
16 person, after giving the permit holder an opportunity to be
17 heard upon ten days' written notice stating the reason for the
18 contemplated revocation and the time and place at which the
19 person may appear and be heard. ~~The hearing shall be held in~~
20 ~~the county of the permit holder's place of business, or in a~~
21 ~~county in or through which it transacts business.~~ The hearing
22 before the department may be held at a site in the state as
23 the department may direct. The notice shall be given by
24 mailing a copy to the permit holder's place of business as it
25 appears on the application for a permit. If, upon hearing,
26 the department finds that the violation has occurred, the
27 department may revoke the permit.

28 Sec. 2. Section 98.37, Code 1989, is amended to read as
29 follows:

30 98.37 CERTAIN OFFENSES AND PENALTIES PROVIDED.

31 A person who violates a provision of this division is
32 guilty of a ~~simple misdemeanor~~ fraudulent practice unless
33 otherwise provided in this division.

34 Sec. 3. Section 98.44, subsection 3, Code 1989, is amended
35 to read as follows:

1 3. A person without this state who ships or transports
2 tobacco products to retailers in this state, to be sold by
3 those retailers, may make application for a license as a
4 distributor, be granted such a license by the director, and
5 thereafter be subject to all the provisions of this division
6 and entitled to act as a licensed distributor, ~~provided the~~
7 ~~person files proof with the person's application that the~~
8 ~~person has appointed the secretary of state for the service of~~
9 ~~process relating to any matter or issue arising under this~~
10 ~~division. -- A foreign corporation applying for a distributor's~~
11 ~~license need not qualify as such if it files the proof of~~
12 ~~appointment of the secretary of state for service of process~~
13 ~~as provided in this subdivision.~~

14 Sec. 4. Section 324.4, unnumbered paragraph 2, Code 1989,
15 is amended to read as follows:

16 ~~A license shall not be issued if the applicant is a foreign~~
17 ~~corporation, unless it is at the time properly qualified under~~
18 ~~the laws of this state to do business in this state. The~~
19 department may deny the issuance of a license to an applicant
20 who is substantially delinquent in the payment of a tax due,
21 or the interest or penalty on the tax, administered by the
22 department. If the applicant is a partnership, a license may
23 be denied if a partner owes any delinquent tax, ~~penalty or~~
24 interest, or penalty. If the applicant is a corporation, a
25 license may be denied if any officer having a substantial
26 legal or equitable interest in the ownership of the
27 corporation owes any delinquent tax, interest, or penalty of
28 the applicant corporation.

29 Sec. 5. Section 324.17, subsection 7, Code 1989, is
30 amended to read as follows:

31 7. A refund shall not be paid with respect to motor fuel
32 or special fuel purchased more than ~~three~~ four calendar months
33 prior to the date the claim was filed with the department.

34 Sec. 6. Section 324.36, subsection 2, Code 1989, is
35 amended to read as follows:

1 2. APPLICATION. Application for a special fuel dealer's
2 license or a special fuel user's license shall be made to the
3 department. A special fuel dealer's license or a special fuel
4 user's license, whichever is applicable, shall be required for
5 each separate place of business or location where special
6 fuels are regularly delivered or placed into the fuel supply
7 tank of a motor vehicle or aircraft. However, if a special
8 fuel dealer also operates one or more bulk plants from which
9 the distribution of a special fuel is primarily by tank
10 vehicle, the special fuel dealer need not obtain a separate
11 license for any of these plants not provided with fixed
12 equipment designed for fueling vehicles or aircraft. Upon
13 written application and at the discretion of the director, a
14 special fuel user whose business operations require mobile
15 special fuel storage may obtain a single special fuel user's
16 license to be issued to the user's permanent principal place
17 of business. Upon written application and at the discretion
18 of the director, a special fuel dealer may be issued a special
19 license to dispense fuel from a tankwagon into the fuel supply
20 tank of a motor vehicle. The special license shall be issued
21 for the dealer's place of business and all of the provisions
22 of this division apply to the dispensing of fuel from
23 tankwagons. A special fuel dealer is not required to obtain a
24 special license to dispense fuel from a tankwagon into the
25 fuel supply tank of an aircraft.

26 Sec. 7. Section 324.65, unnumbered paragraph 2, Code 1989,
27 is amended to read as follows:

28 The appropriate state agency shall not remit any part of a
29 penalty for delinquent payment where if the delinquency
30 results from the fact that a check given in payment is not
31 honored because of insufficient funds in the account upon
32 which the check was drawn. However, if it appears as a result
33 of an investigation ~~or from a preponderance of the evidence~~
34 ~~adduced at a hearing~~ that there has been a deliberate attempt
35 on the part of a licensee or other person to evade payment of

1 fuel taxes there shall be added to the assessment against the
2 offending person and collected a penalty of seventy-five
3 percent of the tax due. Any A report required of licensees or
4 persons operating under ~~divisions I, II and~~ division III, upon
5 which no tax ~~may be~~ is due, is subject to a penalty of ten
6 dollars if the report is not timely filed with the appropriate
7 state-agency state department of transportation.

8 Sec. 8. Section 324.67, Code 1989, is amended to read as
9 follows:

10 324.67 LIMITATION ON COLLECTION PROCEEDINGS.

11 An action or other proceeding shall not be maintained to
12 enforce collection of any amount of fuel tax, penalty, or
13 interest over and above the amount shown to be due by reports
14 filed by a licensee except upon an assessment by the
15 department of revenue and finance as authorized in this
16 chapter. No An assessment shall not be made covering any a
17 period beyond three years prior to the date of assessment
18 except that the period for the examination and determination
19 of the correct amount of tax is unlimited in the case of a
20 false or fraudulent return made with the intent to evade tax
21 or in the case of a failure to file a return.

22 Sec. 9. Section 324.68, unnumbered paragraph 1, Code 1989,
23 is amended to read as follows:

24 If a licensee files a false report of the data or
25 information required by this chapter, or fails, refuses, or
26 neglects to file a report required by this chapter, or to pay
27 the full amount of fuel tax as required by this chapter, or is
28 substantially delinquent in paying a tax due, owing, and
29 administered by the department of revenue and finance, and
30 interest and penalty if appropriate, or if the person is a
31 corporation and if any officer having a substantial legal or
32 equitable interest in the ownership of the corporation owes
33 any delinquent tax of the licensee corporation, or interest or
34 penalty on the tax, administered by the department, then after
35 ten days' written notice by mail directed to the last known

1 address of the licensee setting a time and place at which the
2 licensee may appear and show cause why the license should not
3 be canceled, and if the licensee fails to appear or if upon
4 the hearing it is shown ~~by a preponderance of the evidence~~
5 that the ~~failure~~ licensee failed to correctly report or pay
6 ~~was with intent to evade~~ the tax, the appropriate state agency
7 may cancel the license and shall notify the licensee of the
8 cancellation by mail to the licensee's last known address.

9 Sec. 10. NEW SECTION. 421.10 APPEAL PERIOD -- DENIAL OF
10 TAXPAYER'S CLAIM.

11 The appeal period for revision of assessment of tax,
12 interest, and penalties set out under section 98.29, 98.46,
13 324.64, 422.28, or 422.54 applies to appeals to notices from
14 the department denying changes in filing methods, denying
15 refund claims, and denying portions of refund claims for the
16 tax covered by that section.

17 Sec. 11. Section 422.5, subsection 1, paragraph k,
18 unnumbered paragraph 4, Code 1989, is amended to read as
19 follows:

20 In the case of a resident, including a resident estate or
21 trust, the state's apportioned share of the state alternative
22 minimum tax is one hundred percent of the state alternative
23 minimum tax computed in this subsection. In the case of a
24 nonresident, including a nonresident estate or trust, or an
25 individual, estate, or trust that is domiciled in the state
26 for less than the entire tax year, the state's apportioned
27 share of the state alternative minimum tax is the amount of
28 tax computed under this subsection, reduced by the applicable
29 credits in sections ~~422.107-422.117-422.11A7-~~ and through
30 422.12 and this result multiplied by a fraction with a
31 numerator of the sum of state net income allocated to Iowa as
32 determined in section 422.8, subsection 2, plus tax preference
33 items, adjustments, and losses under subparagraph (1)
34 attributable to Iowa and with a denominator of the sum of
35 total net income computed under section 422.7 plus all tax

1 preference items, adjustments, and losses under subparagraph
2 (1). In computing this fraction, those items excludable under
3 subparagraph (1) shall not be used in computing the tax
4 preference items. Married taxpayers electing to file separate
5 returns or separately on a combined return must allocate the
6 minimum tax computed in this subsection in the proportion that
7 each spouse's respective preference items, adjustments, and
8 losses under subparagraph (1) bear to the combined preference
9 items, adjustments, and losses under subparagraph (1) of both
10 spouses.

11 Sec. 12. Section 422.5, unnumbered paragraph 1, Code 1989,
12 is amended to read as follows:

13 The tax imposed by section 422.5 less the credits credit
14 allowed under section 422.107-~~section-422.117~~ and the personal
15 exemption credit allowed under section 422.12 apply to and are
16 a charge against estates and trusts with respect to their
17 taxable income, and the rates are the same as those applicable
18 to individuals. The fiduciary shall make the return of income
19 for the estate or trust for which the fiduciary acts, whether
20 the income is taxable to the estate or trust or to the
21 beneficiaries.

22 Sec. 13. Section 422.7, unnumbered paragraph 1, Code 1989,
23 is amended as follows:

24 The term "net income" means the adjusted gross income
25 before the net operating loss deduction as properly computed
26 for federal income tax purposes under the Internal Revenue
27 Code, with the following adjustments:

28 Sec. 14. Section 422.11A, Code 1989, is amended to read as
29 follows:

30 422.11A NEW JOBS TAX CREDIT.

31 The taxes imposed under this division, less credits allowed
32 under sections 422.107-~~422.117~~ and 422.12, shall be reduced by
33 a new jobs tax credit. An industry which has entered into an
34 agreement under chapter 280B and which has increased its base
35 employment level by at least ten percent within the time set

1 in the agreement or, in the case of an industry without a base
2 employment level, adds new jobs within the time set in the
3 agreement is entitled to this new jobs tax credit for the tax
4 year selected by the industry. In determining if the industry
5 has increased its base employment level by ten percent or
6 added new jobs, only those new jobs directly resulting from
7 the project covered by the agreement and those directly
8 related to those new jobs shall be counted. The amount of
9 this credit is equal to the product of six percent of the
10 taxable wages upon which an employer is required to contribute
11 to the state unemployment compensation fund, as defined in
12 section 96.19, subsection 20, times the number of new jobs
13 existing in the tax year that directly result from the project
14 covered by the agreement or new jobs that directly result from
15 those new jobs. The tax year chosen by the industry shall
16 either begin or end during the period beginning with the date
17 of the agreement and ending with the date by which the project
18 is to be completed under the agreement. An individual may
19 claim the new jobs tax credit allowed a partnership,
20 subchapter S corporation, or estate or trust electing to have
21 the income taxed directly to the individual. The amount
22 claimed by the individual shall be based upon the pro rata
23 share of the individual's earnings of a the partnership,
24 subchapter S corporation, or estate or trust. Any credit in
25 excess of the tax liability for the tax year may be credited
26 to the tax liability for the following ten tax years or until
27 depleted, whichever is the earlier. For purposes of this
28 section, "agreement", "industry", "new job" and "project" mean
29 the same as defined in section 280B.2 and "base employment
30 level" means the number of full-time jobs an industry employs
31 at the plant site which is covered by an agreement under
32 chapter 2803 on the date of that agreement.

33 Sec. 15. Section 422.13, subsection 1, unnumbered
34 paragraph 1, Code 1989, is amended to read as follows:

35 1. Every A resident and or nonresident of this state shall

1 make ~~and-sign~~ a return, signed in accordance with forms and
2 rules prescribed by the director, if any of the following are
3 applicable:

4 Sec. 16. Section 422.14, subsection 1, Code 1989, is
5 amended to read as follows:

6 1. Every A fiduciary subject to taxation under the
7 ~~provisions of~~ this division, as provided in section 422.6,
8 shall make ~~and-sign~~ a return, signed in accordance with forms
9 and rules prescribed by the director, for the individual,
10 estate, or trust for whom or for which the fiduciary acts, if
11 the taxable income thereof amounts to six hundred dollars or
12 more. A nonresident fiduciary shall file a copy of the
13 federal income tax return for the current tax year with the
14 return required by this section.

15 Sec. 17. Section 422.16, subsection 11, paragraph a, Code
16 1989, is amended to read as follows:

17 a. Every A person or married couple filing a return shall
18 make estimated tax payments if the person's or couple's Iowa
19 income tax attributable to income other than wages subject to
20 withholding can reasonably be expected to amount to fifty
21 dollars or more for the taxable year, except that, in the
22 cases of farmers and fishermen, the exceptions provided in the
23 Internal Revenue Code with respect to making estimated
24 payments apply. The estimated tax shall be paid in quarterly
25 installments. The first installment shall be paid on or
26 before the last day of the fourth month of the taxpayer's tax
27 year for which the estimated payments apply. The other
28 installments shall be paid on or before ~~June-30, September-30,~~
29 and January-31 the last day of the sixth month of the tax
30 year, the last day of the ninth month of the tax year, and the
31 last day of the first month after the tax year. However, at
32 the election of the person or married couple, any an
33 installment of the estimated tax may be paid prior to the date
34 prescribed for its payment. If a person or married couple
35 filing a return has reason to believe that the person's or

1 couple's Iowa income tax may increase or decrease, either for
2 purposes of meeting the requirement to make estimated tax
3 payments or for the purpose of increasing or decreasing
4 estimated tax payments, the person or married couple shall
5 increase or decrease any subsequent estimated tax payments
6 accordingly.

7 Sec. 18. Section 422.16, subsection 14, Code 1989, is
8 amended by adding the following new unnumbered paragraph:

9 NEW UNNUMBERED PARAGRAPH. If the withholding agent fails
10 to file the bond as requested by the director to secure
11 collection of the tax, the withholding agent is subject to
12 penalty for failure to file the bond. The penalty is equal to
13 fifteen percent of the tax the withholding agent is required
14 to withhold on an annual basis. However, the penalty shall
15 not exceed five thousand dollars.

16 Sec. 19. Section 422.25, subsection 7, Code 1989, is
17 amended to read as follows:

18 7. The periods of limitation provided by this section may
19 be extended by the taxpayer by signing a waiver agreement to
20 be provided by the department. ~~Such~~ The agreement shall
21 stipulate the period of extension and the year or years to
22 which ~~such~~ the extension applies. It shall further provide
23 that a claim for refund may be filed by the taxpayer at any
24 time during the period of extension. ~~in-consideration-of-such~~
25 ~~agreements,-interest-due-in-excess-of-thirty-six-months-on~~
26 ~~either-a-tax-deficiency-or-tax-refund-shall-be-waived.~~

27 Sec. 20. Section 422.33, subsection 1, Code 1989, is
28 amended to read as follows:

29 1. A tax is hereby imposed annually upon each corporation
30 organized under the laws of this state, and upon every each
31 foreign corporation doing business in this state, or deriving
32 income from sources within this state, annually in an amount
33 computed by applying the following rates of taxation to the
34 net income received by the corporation during the income year:

35 a. On the first twenty-five thousand dollars of taxable

1 income, or any part thereof, the rate of six percent.

2 b. On taxable income between twenty-five thousand dollars
3 and one hundred thousand dollars or any part thereof, the rate
4 of eight percent.

5 c. On taxable income between one hundred thousand dollars
6 and two hundred fifty thousand dollars or any part thereof,
7 the rate of ten percent.

8 d. On taxable income of two hundred fifty thousand dollars
9 or more, the rate of twelve percent.

10 "Income from sources within this state" means income from
11 real or tangible property located or having a situs in this
12 state.

13 Sec. 21. Section 422.33, subsection 2, unnumbered
14 paragraph 1, Code 1989, is amended to read as follows:

15 If the trade or business of the corporation is carried on
16 entirely within the state, the tax shall be imposed on the
17 entire net income, but if the trade or business is carried on
18 partly within and partly without the state or if income is
19 derived from sources partly within and partly without the
20 state, the tax shall be imposed only on the portion of the net
21 income reasonably attributable to the trade or business or
22 sources within the state, with the net income attributable to
23 the state to be determined as follows:

24 Sec. 22. Section 422.33, subsection 6, Code 1989, is
25 amended by striking the subsection.

26 Sec. 23. Section 422.36, subsection 1, Code 1989, is
27 amended to read as follows:

28 1. Every A corporation shall make a return and the same
29 return shall be signed by the president or other duly
30 authorized officer in accordance with forms and rules
31 prescribed by the director. Before a corporation ~~shall be~~ is
32 dissolved and its assets distributed it shall make a return
33 for ~~any~~ settlement of the tax for ~~any~~ income earned in the
34 income year up to its final date of dissolution.

35 Sec. 24. Section 422.51, subsection 3, Code 1989, is

1 amended to read as follows:

2 3. Returns shall be signed by the retailer or the
3 retailer's duly authorized agent, and must be duly certified
4 by the retailer to be correct in accordance with forms and
5 rules prescribed by the director.

6 Sec. 25. Section 422.52, Code 1989, is amended by adding
7 the following new subsection:

8 NEW SUBSECTION. 7. If an amount of tax represented by a
9 retailer to a consumer or user as constituting tax due is
10 computed upon gross receipts that are not taxable or the
11 amount represented is in excess of the actual taxable amount
12 and the amount represented is actually paid by the consumer or
13 user to the retailer, the excess amount of tax paid shall be
14 returned to the consumer or user upon notification to the
15 retailer by the department or by the consumer or user that an
16 excess payment exists. If the retailer fails to make a re-
17 turn, the amount which the consumer or user has paid to the
18 retailer shall be remitted by the retailer to the department.

19 Sec. 26. Section 422.85, Code 1989, is amended to read as
20 follows:

21 422.85 DECLARATION-AND-PAYMENT IMPOSITION OF ESTIMATED
22 TAX.

23 Every A taxpayer subject to the tax imposed by sections
24 422.33 and 422.60 shall ~~file a declaration~~ make payments of
25 estimated tax for the taxable year if the amount of tax
26 payable, less credits, can reasonably be expected to be more
27 than one thousand dollars for the taxable year. For purposes
28 of this division, "estimated tax" means the amount which the
29 taxpayer estimates to be the tax due and payable under
30 division III or V of this chapter for the taxable year. ~~If~~
31 ~~during the first quarter of the taxable year it is determined~~
32 ~~that the taxpayer's tax liability for the taxable year will~~
33 ~~exceed one thousand dollars, the declaration of estimated tax~~
34 ~~shall be filed on or before the last day of the fourth month~~
35 ~~of the taxable year, -- if after the last day of the third month~~

1 and before the first day of the sixth month of the taxable
2 year it is determined that the taxpayer's tax liability for
3 the taxable year will exceed one thousand dollars, the
4 declaration of estimated tax shall be filed on or before the
5 last day of the sixth month of the taxable year. -- If after the
6 last day of the fifth month and before the first day of the
7 ninth month of the taxable year it is determined that the
8 taxpayer's tax liability for the taxable year will exceed one
9 thousand dollars, the declaration of estimated tax shall be
10 filed on or before the last day of the ninth month of the
11 taxable year. -- If after the last day of the eighth month and
12 before the first day of the twelfth month of the taxable year
13 it is determined that the taxpayer's tax liability for the
14 taxable year will exceed one thousand dollars, the declaration
15 of estimated tax shall be filed on or before the last day of
16 the taxable year.

17 Sec. 27. Section 422.86, Code 1989, is amended to read as
18 follows:

19 422.86 PAYMENT OF ESTIMATED TAX.

20 A taxpayer required to file a declaration of pay estimated
21 tax under section 422.85 shall pay the estimated tax in
22 accordance with the following schedule:

23 1. If the declaration of estimated tax is filed it is
24 first determined that the estimated tax will be greater than
25 one thousand dollars on or before the last day of the fourth
26 month of the taxable year, the estimated tax shall be paid in
27 four equal installments. The first installment shall be paid
28 at the time of the filing of the declaration not later than
29 the last day of the fourth month of the taxable year. The
30 second and third installments shall be paid not later than the
31 last day of the sixth and ninth months of the taxable year,
32 and the final installment shall be paid on or before the last
33 day of the taxable year.

34 2. If the declaration of estimated tax is timely filed it
35 is first determined that the estimated tax will be greater

1 than one thousand dollars after the last day of the fourth
2 month but not later than the last day of the sixth month of
3 the taxable year, the estimated tax shall be paid in three
4 equal installments. The first installment shall be paid at
5 ~~the-time-of-the-filing-of-the-declaration~~ not later than the
6 last day of the sixth month of the taxable year. The second
7 installment shall be paid on or before the last day of the
8 ninth month of the taxable year and the third installment
9 shall be paid on or before the last day of the taxable year.

10 3. ~~If the-declaration-of-estimated-tax-is-timely-filed~~ it
11 is first determined that the estimated tax will be greater
12 than one thousand dollars after the last day of the sixth
13 month ~~and-not-after~~ but not later than the last day of the
14 ninth month of the taxable year, the estimated tax shall be
15 paid in two equal installments. The first installment shall
16 be paid ~~at-the-time-of-the-filing-of-the-declaration~~ not later
17 than the last day of the ninth month and the second
18 installment shall be paid on or before the last day of the
19 taxable year.

20 4. ~~If the-declaration-of-estimated-tax-is-timely-filed~~ it
21 is first determined that the estimated tax will be greater
22 than one thousand dollars after the last day of the ninth
23 month of the taxable year, the estimated tax shall be paid in
24 full ~~at-the-time-of-the-filing-of-the-declaration~~ on or before
25 the last day of the taxable year.

26 ~~5.--if-the-declaration-of-estimated-tax-is-not-filed-as~~
27 ~~required-under-section-422.85,-all-installments-of-estimated~~
28 ~~tax-which-would-have-been-payable-on-or-before-such-time-shall~~
29 ~~be-paid-at-the-time-the-declaration-of-estimated-tax-is-filed;~~
30 ~~The-remaining-installments-of-estimated-tax,-if-any,-shall-be~~
31 ~~paid-at-the-time-and-in-the-amounts-in-which-they-would-have~~
32 ~~been-payable-if-the-declaration-had-been-timely-filed.~~

33 5. If an-amendment-to-a-declaration-is-filed, after paying
34 any installment of estimated tax, the taxpayer makes a new
35 estimate, the remaining installments shall be ratably adjusted

1 to reflect the increase or decrease in the estimated tax by
2 ~~reason-of-such-amendment.~~

3 Sec. 28. Section 422.91, unnumbered paragraph 1, Code
4 1989, is amended to read as follows:

5 Any amount of estimated tax paid ~~on-a-declaration-of~~
6 ~~estimated-tax-shall-be~~ is a credit against the amount of tax
7 due on a final, completed return, and any overpayment of five
8 dollars or more shall be refunded to the taxpayer with
9 interest, the interest to begin to accrue on the first day of
10 the second calendar month following the date of payment or the
11 date the return was due to be filed or was filed, whichever is
12 the latest, at the rate established under section 421.7, and
13 the return ~~shall-constitute~~ constitutes a claim for refund for
14 this purpose. Amounts less than five dollars shall be
15 refunded to the taxpayer only upon written application in
16 accordance with section 422.73, but and only if the
17 application is filed within twelve months after the due date
18 for the return.

19 Sec. 29. Section 422.92, Code 1989, is amended to read as
20 follows:

21 422.92 ADMINISTRATION.

22 A taxpayer having a taxable year of less than twelve months
23 shall ~~file-a-declaration-of~~ pay estimated tax under rules
24 adopted by the director. ~~The-director-shall-adopt-rules~~
25 ~~relating-to-the-filing-of-amended-declarations-and-payments-of~~
26 ~~estimated-tax-by-taxpayers-having-a-taxable-year-of-less-than~~
27 ~~twelve-months.--The-director-shall-also-adopt-rules-to-permit~~
28 ~~a-taxpayer-to-amend-a-declaration-of-estimated-tax.~~

29 Sec. 30. Section 422A.1, unnumbered paragraph 7, Code
30 1989, is amended to read as follows:

31 The tax herein levied shall be in addition to any state
32 sales tax imposed under section 422.43. ~~The-provisions-of~~
33 ~~sections~~ Sections 422.25, subsection 4, 422.30, 422.48 to
34 422.52, 422.54 to 422.58, 422.67, 422.68, 422.69, subsection
35 1, and 422.70 to 422.75, consistent with the provisions of

1 this chapter, shall apply with respect to the taxes authorized
2 under this chapter, in the same manner and with the same
3 effect as if the hotel and motel taxes were retail sales taxes
4 within the meaning of those statutes. Notwithstanding the
5 ~~provisions of~~ this paragraph, the director shall provide for
6 ~~only~~ quarterly filing of returns as prescribed in section
7 422.51 and for other than quarterly filing of returns as
8 prescribed in section 422.51, subsection 2. ~~Further, the~~ The
9 director may require all persons, as defined in section
10 422.42, who are engaged in the business of deriving gross
11 receipts subject to tax under this chapter, to register with
12 the department.

13 Sec. 31. Section 423.13, unnumbered paragraph 1, Code
14 1989, is amended to read as follows:

15 Each A permit holder required or authorized, pursuant to
16 section 423.9 or 423.10, to collect or pay the tax imposed,
17 shall remit to the department the amount of tax, on or before
18 the last day of the month following each calendar quarterly
19 period. However, a retailer who collects or owes more than
20 fifteen hundred dollars in use taxes in a month shall deposit
21 with the department or in a depository authorized by law and
22 designated by the director, the amount collected or owed, with
23 a deposit form for the month as prescribed by the director.
24 The deposit form is due on or before the twentieth day of the
25 month following the month of collection, except a deposit is
26 not required for the third month of the calendar quarter, and
27 the total quarterly amount, less the amounts deposited for the
28 first two months of the quarter, is due with the quarterly
29 report on the last day of the month following the month of
30 collection. At that time, the retailer shall file with the
31 department a return for the preceding quarterly period in the
32 form prescribed by the director showing the sales price of the
33 tangible personal property sold by the retailer during the
34 preceding quarterly period, the use of which is subject to the
35 tax imposed by this chapter, and other information the

1 director deems necessary for the proper administration of this
2 chapter. The return shall be accompanied by a remittance of
3 the tax for the period covered by the return. If necessary in
4 order to ensure payment to the state of the tax, the director
5 may in any or all cases require returns and payments to be
6 made for other than quarterly periods. The director may, upon
7 request and a proper showing of necessity, grant an extension
8 of time not to exceed thirty days for making any return and
9 payment. Returns shall be signed, in accordance with forms
10 and rules prescribed by the director, by the retailer or the
11 retailer's duly authorized agent, and shall be certified by
12 the retailer or agent to be correct.

13 Sec. 32. Section 423.13, Code 1989, is amended by adding
14 after unnumbered paragraph 1 the following new unnumbered
15 paragraph:

16 NEW UNNUMBERED PARAGRAPH. If it is reasonably expected, as
17 determined by rules prescribed by the director, that a
18 retailer's annual use tax liability will not exceed one
19 hundred twenty dollars for a calendar year, the retailer may
20 request and the director may grant permission to the retailer,
21 in lieu of the quarterly filing and remitting requirements of
22 the first paragraph of this section, to file the return
23 required by and remit the use tax due under this section on a
24 calendar year basis. The return and tax are due and payable
25 no later than January 31 following each calendar year in which
26 the retailer carries on business.

27 Sec. 33. Section 425.7, subsection 3, Code 1989, is
28 amended to read as follows:

29 3. If the director of revenue and finance determines that
30 any a claim for homestead credit has been allowed by any the
31 board of supervisors which is not justifiable under the law
32 and not substantiated by proper facts, the director may, at
33 any time within twenty-four thirty-six months from July 1 of
34 the year in which the claim is allowed, set aside the
35 allowance. Notice of the disallowance shall be given to the

1 county auditor of the county in which the claim has been
2 improperly granted and a written notice of the disallowance
3 shall also be addressed to the claimant at the claimant's last
4 known address. The claimant or the board of supervisors may
5 seek judicial review of the action of the director of revenue
6 and finance in accordance with the Iowa administrative
7 procedure Act.

8 PARAGRAPH DIVIDED. ~~In any case where~~ If a claim is so
9 disallowed by the director of revenue and finance and a
10 petition for judicial review is not filed with respect to the
11 disallowance, any amounts of credits allowed and paid from the
12 homestead credit fund including the penalty, if any, become a
13 lien upon the property on which credit was originally granted,
14 if still in the hands of the claimant, and not in the hands of
15 a bona fide purchaser, and any amount so erroneously paid
16 including the penalty, if any, shall be collected by the
17 county treasurer in the same manner as other taxes and the
18 collections shall be returned to the department of revenue and
19 finance and credited to the homestead credit fund. The
20 director of revenue and finance may institute legal
21 proceedings against a homestead credit claimant for the
22 collection of ~~all~~ payments made on disallowed credits and the
23 penalty, if any. If a homestead credit is disallowed and the
24 claimant failed to give written notice to the assessor as
25 required by section 425.2 when the property ceased to be used
26 as a homestead by the claimant, a civil penalty equal to fifty
27 percent of the amount of the disallowed credit is assessed
28 against the claimant.

29 Sec. 34. Section 426A.6, Code 1989, is amended to read as
30 follows:

31 426A.6 SETTING ASIDE ALLOWANCE.

32 If the director of revenue and finance determines that any
33 a claim for military service tax exemption has been allowed by
34 any a board of supervisors which is not justifiable under the
35 law and not substantiated by proper facts, the director may,

1 at any time within ~~twenty-four~~ thirty-six months from July 1
 2 of the year in which the claim is allowed, set aside the
 3 allowance. Notice of the disallowance shall be given to the
 4 county auditor of the county in which the claim has been
 5 improperly granted and a written notice of the disallowance
 6 shall also be addressed to the claimant at the claimant's last
 7 known address. The claimant or the board of supervisors may
 8 seek judicial review of the action of the director of revenue
 9 and finance in accordance with chapter 17A. ~~In any case,~~
 10 where If a claim is ~~so~~ disallowed by the director of revenue
 11 and finance and a petition for judicial review is not filed
 12 with respect to the disallowance, ~~any amounts of the~~ credits
 13 allowed and paid from the general fund of the state become a
 14 lien upon the property on which the credit was originally
 15 granted, if still in the hands of the claimant, and not in the
 16 hands of a bona fide purchaser, ~~and any the~~ amount so
 17 erroneously paid shall be collected by the county treasurer in
 18 the same manner as other taxes, and the collections shall be
 19 returned to the department of revenue and finance and credited
 20 to the general fund of the state. The director of revenue and
 21 finance may institute legal proceedings against a military
 22 service tax exemption claimant for the collection of ~~all~~
 23 payments made on disallowed exemptions.

24 Sec. 35. Section 442.15, unnumbered paragraph 2, Code
 25 1989, is amended to read as follows:

26 The school district income surtax ~~shall be~~ is imposed on
 27 the state individual income tax for the calendar year during
 28 which the school's budget year begins, or for a taxpayer's
 29 fiscal year ending during the second half of that calendar
 30 year or the first half of the succeeding calendar year, and
 31 ~~shall be~~ is imposed on all individuals residing in the school
 32 district on the last day of the applicable tax year. As used
 33 in this section, "state individual income tax" means the tax
 34 computed under section 422.5, less the deductions allowed in
 35 sections 422.10~~7~~-~~422.11~~ and 422.12.

1 Sec. 36. Section 450.22, Code 1989, is amended to read as
2 follows:

3 450.22 ADMINISTRATION AVOIDED.

4 When the heirs or persons entitled to inherit the property
5 of an estate subject to tax under this chapter, desire to
6 avoid the appointment of a personal representative as provided
7 in section 450.21, and in all instances where real estate is
8 involved and there are no regular probate proceedings are not
9 had, they or one of them shall file under oath the inventories
10 required by section 633.361 and the required reports, and
11 perform all the duties required by this chapter of the
12 personal representative, and file the inheritance tax return.
13 However, this section does not apply and a return is not re-
14 quired even though real estate is part of the assets subject
15 to tax under this chapter, if all of the assets are held in
16 joint tenancy with right of survivorship between husband and
17 wife alone. Proceedings When this section applies,
18 proceedings for the collection of the tax when a personal
19 representative is not appointed, shall conform as nearly as
20 may-be-to-the-provisions-of possible to proceedings under this
21 chapter in other cases.

22 Sec. 37. Section 451.5, Code 1989, is amended to read as
23 follows:

24 451.5 DUTY OF PERSONAL REPRESENTATIVE.

25 ~~It shall be the duty of the~~ The personal representative of
26 ~~every~~ a decedent whose estate may be subject to the tax
27 imposed by this chapter, ~~to~~ shall file in the office of the
28 director of revenue and finance, ~~within twelve months~~ on or
29 before the last day of the ninth month after the death of such
30 the decedent, duplicate copies of the estate tax return
31 provided for in the federal estate tax Act, and in like
32 manner, duplicate copies of all supplemental or amended
33 ~~returns, and the value.~~ The values of all items included in
34 the gross estate, as shown by such those returns, or
35 supplemental or amended returns, shall be ~~taken and~~ considered

1 as the values of such those items for the purposes of this
2 chapter; ~~and in.~~ In case of any revaluation or correction of
3 valuation of ~~any such~~ any of those items, either by such
4 supplemental or amended returns, or by the federal
5 commissioner of internal revenue, or by any an appellate
6 tribunal by which the ~~same may be~~ value is finally determined,
7 ~~such the~~ corrected values shall be ~~taken and~~ considered as the
8 values of ~~such those~~ items for the purposes of this chapter.

9 Sec. 38. Section 422.11, Code 1989, is repealed.

10 Sec. 39. Section 10 of this Act applies to notices from
11 the department denying changes in filing methods, denying
12 refund claims, and denying portions of refund claims issued
13 after the effective date of this Act.

14 Sec. 40. Sections 13, 20 and 21 of this Act are retro-
15 active to January 1, 1989, for tax years beginning on or after
16 that date.

17 Sec. 41. Sections 17, 18, 26, 27, 28, and 29 of this Act
18 are effective January 1, 1990, for tax years beginning on or
19 after that date.

20 Sec. 42. Section 36 of this Act is retroactive to January
21 1, 1988, for estates of decedents dying on or after that date.

22 Sec. 43. Section 37 of this Act is effective July 1, 1989,
23 for estates of decedents dying on or after that date.

24
25
26
27
28
29
30
31
32
33
34
35

DIEGEMAN, CH.
SZYMONIAK
SOORNOLTZ

SSB 53
WAYS + MEANS

SENATE FILE 154
BY (PROPOSED COMMITTEE ON
WAYS AND MEANS BILL)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the state's cigarette and tobacco products
2 tax; fuel tax; withholding tax; corporate and personal income
3 tax; sales, services and use tax; franchise tax; hotel and
4 motel tax; property tax exemptions; and inheritance and estate
5 taxes; and providing a penalty.

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

7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

1 Section 1. Section 98.22, subsection 1, Code 1989, is
2 amended to read as follows:

3 1. If a person holding a permit issued by the department
4 under this division, including a retailer permit for railway
5 car, has willfully violated section 98.2, the department shall
6 revoke the permit upon notice and hearing. If the person
7 violates any other provision of this division, or a rule
8 adopted under this division, or is substantially delinquent in
9 the payment of a tax administered by the department or the
10 interest or penalty on the tax, or if the person is a
11 corporation and if any officer having a substantial legal or
12 equitable interest in the ownership of the corporation owes
13 any delinquent tax of the permit-holding corporation, or
14 interest or penalty on the tax, administered by the
15 department, the department may revoke the permit issued to the
16 person, after giving the permit holder an opportunity to be
17 heard upon ten days' written notice stating the reason for the
18 contemplated revocation and the time and place at which the
19 person may appear and be heard. ~~The hearing shall be held in~~
20 ~~the county of the permit holder's place of business, or in a~~
21 ~~county in or through which it transacts business.~~ The hearing
22 before the department may be held at a site in the state as
23 the department may direct. The notice shall be given by
24 mailing a copy to the permit holder's place of business as it
25 appears on the application for a permit. If, upon hearing,
26 the department finds that the violation has occurred, the
27 department may revoke the permit.

28 Sec. 2. Section 98.37, Code 1989, is amended to read as
29 follows:

30 98.37 CERTAIN OFFENSES AND PENALTIES PROVIDED.

31 A person who violates a provision of this division is
32 guilty of a ~~simple misdemeanor~~ fraudulent practice unless
33 otherwise provided in this division.

34 Sec. 3. Section 98.44, subsection 3, Code 1989, is amended
35 to read as follows:

1 3. A person without this state who ships or transports
2 tobacco products to retailers in this state, to be sold by
3 those retailers, may make application for a license as a
4 distributor, be granted such a license by the director, and
5 thereafter be subject to all the provisions of this division
6 and entitled to act as a licensed distributor, ~~provided the~~
7 ~~person files proof with the person's application that the~~
8 ~~person has appointed the secretary of state for the service of~~
9 ~~process relating to any matter or issue arising under this~~
10 ~~division. -- A foreign corporation applying for a distributor's~~
11 ~~license need not qualify as such if it files the proof of~~
12 ~~appointment of the secretary of state for service of process~~
13 ~~as provided in this subdivision.~~

14 Sec. 4. Section 324.4, unnumbered paragraph 2, Code 1989,
15 is amended to read as follows:

16 ~~A license shall not be issued if the applicant is a foreign~~
17 ~~corporation, unless it is at the time properly qualified under~~
18 ~~the laws of this state to do business in this state. The~~
19 department may deny the issuance of a license to an applicant
20 who is substantially delinquent in the payment of a tax due,
21 or the interest or penalty on the tax, administered by the
22 department. If the applicant is a partnership, a license may
23 be denied if a partner owes any delinquent tax, penalty or
24 interest, or penalty. If the applicant is a corporation, a
25 license may be denied if any officer having a substantial
26 legal or equitable interest in the ownership of the
27 corporation owes any delinquent tax, interest, or penalty of
28 the applicant corporation.

29 Sec. 5. Section 324.17, subsection 7, Code 1989, is
30 amended to read as follows:

31 7. A refund shall not be paid with respect to motor fuel
32 or special fuel purchased more than three four calendar months
33 prior to the date the claim was filed with the department.

34 Sec. 6. Section 324.36, subsection 2, Code 1989, is
35 amended to read as follows:

1 2. APPLICATION. Application for a special fuel dealer's
2 license or a special fuel user's license shall be made to the
3 department. A special fuel dealer's license or a special fuel
4 user's license, whichever is applicable, shall be required for
5 each separate place of business or location where special
6 fuels are regularly delivered or placed into the fuel supply
7 tank of a motor vehicle or aircraft. However, if a special
8 fuel dealer also operates one or more bulk plants from which
9 the distribution of a special fuel is primarily by tank
10 vehicle, the special fuel dealer need not obtain a separate
11 license for any of these plants not provided with fixed
12 equipment designed for fueling vehicles or aircraft. Upon
13 written application and at the discretion of the director, a
14 special fuel user whose business operations require mobile
15 special fuel storage may obtain a single special fuel user's
16 license to be issued to the user's permanent principal place
17 of business. Upon written application and at the discretion
18 of the director, a special fuel dealer may be issued a special
19 license to dispense fuel from a tankwagon into the fuel supply
20 tank of a motor vehicle. The special license shall be issued
21 for the dealer's place of business and all of the provisions
22 of this division apply to the dispensing of fuel from
23 tankwagons. A special fuel dealer is not required to obtain a
24 special license to dispense fuel from a tankwagon into the
25 fuel supply tank of an aircraft.

26 Sec. 7. Section 324.65, unnumbered paragraph 2, Code 1989,
27 is amended to read as follows:

28 The appropriate state agency shall not remit any part of a
29 penalty for delinquent payment where if the delinquency
30 results from the fact that a check given in payment is not
31 honored because of insufficient funds in the account upon
32 which the check was drawn. However, if it appears as a result
33 of an investigation ~~or from a preponderance of the evidence~~
34 ~~adduced at a hearing~~ that there has been a deliberate attempt
35 on the part of a licensee or other person to evade payment of

1 fuel taxes there shall be added to the assessment against the
2 offending person and collected a penalty of seventy-five
3 percent of the tax due. Any A report required of licensees or
4 persons operating under ~~divisions I, II and~~ division III, upon
5 which no tax ~~may-be~~ is due, is subject to a penalty of ten
6 dollars if the report is not timely filed with the appropriate
7 state-agency state department of transportation.

8 Sec. 8. Section 324.67, Code 1989, is amended to read as
9 follows:

10 324.67 LIMITATION ON COLLECTION PROCEEDINGS.

11 An action or other proceeding shall not be maintained to
12 enforce collection of any amount of fuel tax, penalty, or
13 interest over and above the amount shown to be due by reports
14 filed by a licensee except upon an assessment by the
15 department of revenue and finance as authorized in this
16 chapter. No An assessment shall not be made covering any a
17 period beyond three years prior to the date of assessment
18 except that the period for the examination and determination
19 of the correct amount of tax is unlimited in the case of a
20 false or fraudulent return made with the intent to evade tax
21 or in the case of a failure to file a return.

22 Sec. 9. Section 324.68, unnumbered paragraph 1, Code 1989,
23 is amended to read as follows:

24 If a licensee files a false report of the data or
25 information required by this chapter, or fails, refuses, or
26 neglects to file a report required by this chapter, or to pay
27 the full amount of fuel tax as required by this chapter, or is
28 substantially delinquent in paying a tax due, owing, and
29 administered by the department of revenue and finance, and
30 interest and penalty if appropriate, or if the person is a
31 corporation and if any officer having a substantial legal or
32 equitable interest in the ownership of the corporation owes
33 any delinquent tax of the licensee corporation, or interest or
34 penalty on the tax, administered by the department, then after
35 ten days' written notice by mail directed to the last known

1 address of the licensee setting a time and place at which the
2 licensee may appear and show cause why the license should not
3 be canceled, and if the licensee fails to appear or if upon
4 the hearing it is shown ~~by a preponderance of the evidence~~
5 that the ~~failure~~ licensee failed to correctly report or pay
6 ~~was with intent to evade~~ the tax, the appropriate state agency
7 may cancel the license and shall notify the licensee of the
8 cancellation by mail to the licensee's last known address.

9 Sec. 10. NEW SECTION. 421.10 APPEAL PERIOD -- DENIAL OF
10 TAXPAYER'S CLAIM.

11 The appeal period for revision of assessment of tax,
12 interest, and penalties set out under section 98.29, 98.46,
13 324.64, 422.28, or 422.54 applies to appeals to notices from
14 the department denying changes in filing methods, denying
15 refund claims, and denying portions of refund claims for the
16 tax covered by that section.

17 Sec. 11. Section 422.5, subsection 1, paragraph k,
18 unnumbered paragraph 4, Code 1989, is amended to read as
19 follows:

20 In the case of a resident, including a resident estate or
21 trust, the state's apportioned share of the state alternative
22 minimum tax is one hundred percent of the state alternative
23 minimum tax computed in this subsection. In the case of a
24 nonresident, including a nonresident estate or trust, or an
25 individual, estate, or trust that is domiciled in the state
26 for less than the entire tax year, the state's apportioned
27 share of the state alternative minimum tax is the amount of
28 tax computed under this subsection, reduced by the applicable
29 credits in sections ~~422.10, 422.11, 422.11A,~~ and through
30 422.12 and this result multiplied by a fraction with a
31 numerator of the sum of state net income allocated to Iowa as
32 determined in section 422.8, subsection 2, plus tax preference
33 items, adjustments, and losses under subparagraph (1)
34 attributable to Iowa and with a denominator of the sum of
35 total net income computed under section 422.7 plus all tax

1 preference items, adjustments, and losses under subparagraph
2 (1). In computing this fraction, those items excludable under
3 subparagraph (1) shall not be used in computing the tax
4 preference items. Married taxpayers electing to file separate
5 returns or separately on a combined return must allocate the
6 minimum tax computed in this subsection in the proportion that
7 each spouse's respective preference items, adjustments, and
8 losses under subparagraph (1) bear to the combined preference
9 items, adjustments, and losses under subparagraph (1) of both
10 spouses.

11 Sec. 12. Section 422.6, unnumbered paragraph 1, Code 1989,
12 is amended to read as follows:

13 The tax imposed by section 422.5 less the ~~credits~~ credit
14 allowed under section 422.10, ~~section 422.11~~, and the personal
15 exemption credit allowed under section 422.12 apply to and are
16 a charge against estates and trusts with respect to their
17 taxable income, and the rates are the same as those applicable
18 to individuals. The fiduciary shall make the return of income
19 for the estate or trust for which the fiduciary acts, whether
20 the income is taxable to the estate or trust or to the
21 beneficiaries.

22 Sec. 13. Section 422.7, unnumbered paragraph 1, Code 1989,
23 is amended as follows:

24 The term "net income" means the adjusted gross income
25 before the net operating loss deduction as properly computed
26 for federal income tax purposes under the Internal Revenue
27 Code, with the following adjustments:

28 Sec. 14. Section 422.11A, Code 1989, is amended to read as
29 follows:

30 422.11A NEW JOBS TAX CREDIT.

31 The taxes imposed under this division, less credits allowed
32 under sections 422.10, ~~422.11~~ and 422.12, shall be reduced by
33 a new jobs tax credit. An industry which has entered into an
34 agreement under chapter 280B and which has increased its base
35 employment level by at least ten percent within the time set

1 in the agreement or, in the case of an industry without a base
2 employment level, adds new jobs within the time set in the
3 agreement is entitled to this new jobs tax credit for the tax
4 year selected by the industry. In determining if the industry
5 has increased its base employment level by ten percent or
6 added new jobs, only those new jobs directly resulting from
7 the project covered by the agreement and those directly
8 related to those new jobs shall be counted. The amount of
9 this credit is equal to the product of six percent of the
10 taxable wages upon which an employer is required to contribute
11 to the state unemployment compensation fund, as defined in
12 section 96.19, subsection 20, times the number of new jobs
13 existing in the tax year that directly result from the project
14 covered by the agreement or new jobs that directly result from
15 those new jobs. The tax year chosen by the industry shall
16 either begin or end during the period beginning with the date
17 of the agreement and ending with the date by which the project
18 is to be completed under the agreement. An individual may
19 claim the new jobs tax credit allowed a partnership,
20 subchapter S corporation, or estate or trust electing to have
21 the income taxed directly to the individual. The amount
22 claimed by the individual shall be based upon the pro rata
23 share of the individual's earnings of a the partnership,
24 subchapter S corporation, or estate or trust. Any credit in
25 excess of the tax liability for the tax year may be credited
26 to the tax liability for the following ten tax years or until
27 depleted, whichever is the earlier. For purposes of this
28 section, "agreement", "industry", "new job" and "project" mean
29 the same as defined in section 280B.2 and "base employment
30 level" means the number of full-time jobs an industry employs
31 at the plant site which is covered by an agreement under
32 chapter 280B on the date of that agreement.

33 Sec. 15. Section 422.13, subsection 1, unnumbered
34 paragraph 1, Code 1989, is amended to read as follows:

35 1. Every A resident and or nonresident of this state shall

1 make and-sign a return, signed in accordance with forms and
2 rules prescribed by the director, if any of the following are
3 applicable:

4 Sec. 16. Section 422.14, subsection 1, Code 1989, is
5 amended to read as follows:

6 1. Every A fiduciary subject to taxation under the
7 ~~provisions-of~~ this division, as provided in section 422.6,
8 shall make and-sign a return, signed in accordance with forms
9 and rules prescribed by the director, for the individual,
10 estate, or trust for whom or for which the fiduciary acts, if
11 the taxable income thereof amounts to six hundred dollars or
12 more. A nonresident fiduciary shall file a copy of the
13 federal income tax return for the current tax year with the
14 return required by this section.

15 Sec. 17. Section 422.16, subsection 11, paragraph a, Code
16 1989, is amended to read as follows:

17 a. Every A person or married couple filing a return shall
18 make estimated tax payments if the person's or couple's Iowa
19 income tax attributable to income other than wages subject to
20 withholding can reasonably be expected to amount to fifty
21 dollars or more for the taxable year, except that, in the
22 cases of farmers and fishermen, the exceptions provided in the
23 Internal Revenue Code with respect to making estimated
24 payments apply. The estimated tax shall be paid in quarterly
25 installments. The first installment shall be paid on or
26 before the last day of the fourth month of the taxpayer's tax
27 year for which the estimated payments apply. The other
28 installments shall be paid on or before ~~June-30, September-30,~~
29 ~~and January-31~~ the last day of the sixth month of the tax
30 year, the last day of the ninth month of the tax year, and the
31 last day of the first month after the tax year. However, at
32 the election of the person or married couple, any an
33 installment of the estimated tax may be paid prior to the date
34 prescribed for its payment. If a person or married couple
35 filing a return has reason to believe that the person's or

1 couple's Iowa income tax may increase or decrease, either for
2 purposes of meeting the requirement to make estimated tax
3 payments or for the purpose of increasing or decreasing
4 estimated tax payments, the person or married couple shall
5 increase or decrease any subsequent estimated tax payments
6 accordingly.

7 Sec. 18. Section 422.16, subsection 14, Code 1989, is
8 amended by adding the following new unnumbered paragraph:

9 NEW UNNUMBERED PARAGRAPH. If the withholding agent fails
10 to file the bond as requested by the director to secure
11 collection of the tax, the withholding agent is subject to
12 penalty for failure to file the bond. The penalty is equal to
13 fifteen percent of the tax the withholding agent is required
14 to withhold on an annual basis. However, the penalty shall
15 not exceed five thousand dollars.

16 Sec. 19. Section 422.25, subsection 7, Code 1989, is
17 amended to read as follows:

18 7. The periods of limitation provided by this section may
19 be extended by the taxpayer by signing a waiver agreement to
20 be provided by the department. ~~Such~~ The agreement shall
21 stipulate the period of extension and the year or years to
22 which ~~such~~ the extension applies. It shall further provide
23 that a claim for refund may be filed by the taxpayer at any
24 time during the period of extension. ~~In-consideration-of-such~~
25 ~~agreement,-interest-due-in-excess-of-thirty-six-months-on~~
26 ~~either-a-tax-deficiency-or-tax-refund-shall-be-waived-~~

27 Sec. 20. Section 422.33, subsection 1, Code 1989, is
28 amended to read as follows:

29 1. A tax is hereby imposed annually upon each corporation
30 organized under the laws of this state, and upon every each
31 foreign corporation doing business in this state, or deriving
32 income from sources within this state, annually in an amount
33 computed by applying the following rates of taxation to the
34 net income received by the corporation during the income year:

35 a. On the first twenty-five thousand dollars of taxable

1 income, or any part thereof, the rate of six percent.

2 b. On taxable income between twenty-five thousand dollars
3 and one hundred thousand dollars or any part thereof, the rate
4 of eight percent.

5 c. On taxable income between one hundred thousand dollars
6 and two hundred fifty thousand dollars or any part thereof,
7 the rate of ten percent.

8 d. On taxable income of two hundred fifty thousand dollars
9 or more, the rate of twelve percent.

10 "Income from sources within this state" means income from
11 real, tangible, or intangible property located or having a
12 situs in this state.

13 Sec. 21. Section 422.33, subsection 2, unnumbered
14 paragraph 1, Code 1989, is amended to read as follows:

15 If the trade or business of the corporation is carried on
16 entirely within the state, the tax shall be imposed on the
17 entire net income, but if the trade or business is carried on
18 partly within and partly without the state or if income is
19 derived from sources partly within and partly without the
20 state, the tax shall be imposed only on the portion of the net
21 income reasonably attributable to the trade or business or
22 sources within the state, with the net income attributable to
23 the state to be determined as follows:

24 Sec. 22. Section 422.33, subsection 6, Code 1989, is
25 amended by striking the subsection.

26 Sec. 23. Section 422.36, subsection 1, Code 1989, is
27 amended to read as follows:

28 1. Every A corporation shall make a return and the same
29 return shall be signed by the president or other duly
30 authorized officer in accordance with forms and rules
31 prescribed by the director. Before a corporation ~~shall be~~ is
32 dissolved and its assets distributed it shall make a return
33 for ~~any~~ settlement of the tax for ~~any~~ income earned in the
34 income year up to its final date of dissolution.

35 Sec. 24. Section 422.51, subsection 3, Code 1989, is

1 amended to read as follows:

2 3. Returns shall be signed by the retailer or the
3 retailer's duly authorized agent, and must be duly certified
4 by the retailer to be correct in accordance with forms and
5 rules prescribed by the director.

6 Sec. 25. Section 422.52, Code 1989, is amended by adding
7 the following new subsection:

8 NEW SUBSECTION. 7. If an amount of tax represented by a
9 retailer to a consumer or user as constituting tax due is
10 computed upon gross receipts that are not taxable or the
11 amount represented is in excess of the actual taxable amount
12 and the amount represented is actually paid by the consumer or
13 user to the retailer, the excess amount of tax paid shall be
14 returned to the consumer or user upon notification to the
15 retailer by the department or by the consumer or user that an
16 excess payment exists. If the retailer fails to make a re-
17 turn, the amount which the consumer or user has paid to the
18 retailer shall be remitted by the retailer to the department.

19 Sec. 26. Section 422.85, Code 1989, is amended to read as
20 follows:

21 422.85 DECLARATION-AND-PAYMENT IMPOSITION OF ESTIMATED
22 TAX.

23 Every A taxpayer subject to the tax imposed by sections
24 422.33 and 422.60 shall ~~file a declaration~~ make payments of
25 estimated tax for the taxable year if the amount of tax
26 payable, less credits, can reasonably be expected to be more
27 than one thousand dollars for the taxable year. For purposes
28 of this division, "estimated tax" means the amount which the
29 taxpayer estimates to be the tax due and payable under
30 division III or V of this chapter for the taxable year. ~~if~~
31 ~~during the first quarter of the taxable year it is determined~~
32 ~~that the taxpayer's tax liability for the taxable year will~~
33 ~~exceed one thousand dollars, the declaration of estimated tax~~
34 ~~shall be filed on or before the last day of the fourth month~~
35 ~~of the taxable year. -- If after the last day of the third month~~

1 and-before-the-first-day-of-the-sixth-month-of-the-taxable
2 year-it-is-determined-that-the-taxpayer's-tax-liability-for
3 the-taxable-year-will-exceed-one-thousand-dollars,-the
4 declaration-of-estimated-tax-shall-be-filed-on-or-before-the
5 last-day-of-the-sixth-month-of-the-taxable-year.--If-after-the
6 last-day-of-the-fifth-month-and-before-the-first-day-of-the
7 ninth-month-of-the-taxable-year-it-is-determined-that-the
8 taxpayer's-tax-liability-for-the-taxable-year-will-exceed-one
9 thousand-dollars,-the-declaration-of-estimated-tax-shall-be
10 filed-on-or-before-the-last-day-of-the-ninth-month-of-the
11 taxable-year.--If-after-the-last-day-of-the-eighth-month-and
12 before-the-first-day-of-the-twelfth-month-of-the-taxable-year
13 it-is-determined-that-the-taxpayer's-tax-liability-for-the
14 taxable-year-will-exceed-one-thousand-dollars,-the-declaration
15 of-estimated-tax-shall-be-filed-on-or-before-the-last-day-of
16 the-taxable-year-

17 Sec. 27. Section 422.86, Code 1989, is amended to read as
18 follows:

19 422.86 PAYMENT OF ESTIMATED TAX.

20 A taxpayer required to file-a-declaration-of pay estimated
21 tax under section 422.85 shall pay the estimated tax in
22 accordance with the following schedule:

23 1. If the-declaration-of-estimated-tax-is-filed it is
24 first determined that the estimated tax will be greater than
25 one thousand dollars on or before the last day of the fourth
26 month of the taxable year, the estimated tax shall be paid in
27 four equal installments. The first installment shall be paid
28 at-the-time-of-the-filing-of-the-declaration not later than
29 the last day of the fourth month of the taxable year. The
30 second and third installments shall be paid not later than the
31 last day of the sixth and ninth months of the taxable year,
32 and the final installment shall be paid on or before the last
33 day of the taxable year.

34 2. If the-declaration-of-estimated-tax-is-timely-filed it
35 is first determined that the estimated tax will be greater

1 than one thousand dollars after the last day of the fourth
2 month but not later than the last day of the sixth month of
3 the taxable year, the estimated tax shall be paid in three
4 equal installments. The first installment shall be paid at
5 ~~the time of the filing of the declaration~~ not later than the
6 last day of the sixth month of the taxable year. The second
7 installment shall be paid on or before the last day of the
8 ninth month of the taxable year and the third installment
9 shall be paid on or before the last day of the taxable year.

10 3. ~~If the declaration of estimated tax is timely filed it~~
11 is first determined that the estimated tax will be greater
12 than one thousand dollars after the last day of the sixth
13 month ~~and not after~~ but not later than the last day of the
14 ninth month of the taxable year, the estimated tax shall be
15 paid in two equal installments. The first installment shall
16 be paid ~~at the time of the filing of the declaration~~ not later
17 than the last day of the ninth month and the second
18 installment shall be paid on or before the last day of the
19 taxable year.

20 4. ~~If the declaration of estimated tax is timely filed it~~
21 is first determined that the estimated tax will be greater
22 than one thousand dollars after the last day of the ninth
23 month of the taxable year, the estimated tax shall be paid in
24 full ~~at the time of the filing of the declaration~~ on or before
25 the last day of the taxable year.

26 ~~5. If the declaration of estimated tax is not filed as~~
27 ~~required under section 422.057, all installments of estimated~~
28 ~~tax which would have been payable on or before such time shall~~
29 ~~be paid at the time the declaration of estimated tax is filed.~~
30 ~~The remaining installments of estimated tax, if any, shall be~~
31 ~~paid at the time and in the amounts in which they would have~~
32 ~~been payable if the declaration had been timely filed.~~

33 5. If an amendment to a declaration is filed, after paying
34 any installment of estimated tax, the taxpayer makes a new
35 estimate, the remaining installments shall be ratably adjusted

1 to reflect the increase or decrease in the estimated tax by
2 reason-of-such-amendment.

3 Sec. 28. Section 422.91, unnumbered paragraph 1, Code
4 1989, is amended to read as follows:

5 Any amount of estimated tax paid ~~on-a-declaration-of~~
6 ~~estimated-tax-shall-be~~ is a credit against the amount of tax
7 due on a final, completed return, and any overpayment of five
8 dollars or more shall be refunded to the taxpayer with
9 interest, the interest to begin to accrue on the first day of
10 the second calendar month following the date of payment or the
11 date the return was due to be filed or was filed, whichever is
12 the latest, at the rate established under section 421.7, and
13 the return ~~shall-constitute~~ constitutes a claim for refund for
14 this purpose. Amounts less than five dollars shall be
15 refunded to the taxpayer only upon written application in
16 accordance with section 422.73, ~~but~~ and only if the
17 application is filed within twelve months after the due date
18 for the return.

19 Sec. 29. Section 422.92, Code 1989, is amended to read as
20 follows:

21 422.92 ADMINISTRATION.

22 A taxpayer having a taxable year of less than twelve months
23 shall ~~file-a-declaration-of~~ pay estimated tax under rules
24 adopted by the director. ~~The-director-shall-adopt-rules~~
25 ~~relating-to-the-filing-of-amended-declarations-and-payments-of~~
26 ~~estimated-tax-by-taxpayers-having-a-taxable-year-of-less-than~~
27 ~~twelve-months.--The-director-shall-also-adopt-rules-to-permit~~
28 ~~a-taxpayer-to-amend-a-declaration-of-estimated-tax.~~

29 Sec. 30. Section 422A.1, unnumbered paragraph 7, Code
30 1989, is amended to read as follows:

31 The tax herein levied shall be in addition to any state
32 sales tax imposed under section 422.43. ~~The-provisions-of~~
33 Sections 422.25, subsection 4, 422.30, 422.48 to
34 422.52, 422.54 to 422.58, 422.67, 422.68, 422.69, subsection
35 1, and 422.70 to 422.75, consistent with the provisions of

1 this chapter, ~~shall~~ apply with respect to the taxes authorized
2 under this chapter, in the same manner and with the same
3 effect as if the hotel and motel taxes were retail sales taxes
4 within the meaning of those statutes. Notwithstanding the
5 ~~provisions of~~ this paragraph, the director shall provide for
6 only quarterly filing of returns as prescribed in section
7 422.51 and for other than quarterly filing of returns as
8 prescribed in section 422.51, subsection 2. ~~Further-~~ The
9 director may require all persons, as defined in section
10 422.42, who are engaged in the business of deriving gross
11 receipts subject to tax under this chapter, to register with
12 the department.

13 Sec. 31. Section 423.13, unnumbered paragraph 1, Code
14 1989, is amended to read as follows:

15 ~~Each~~ A permit holder required or authorized, pursuant to
16 section 423.9 or 423.10, to collect or pay the tax imposed,
17 shall remit to the department the amount of tax, on or before
18 the last day of the month following each calendar quarterly
19 period. However, a retailer who collects or owes more than
20 fifteen hundred dollars in use taxes in a month shall deposit
21 with the department or in a depository authorized by law and
22 designated by the director, the amount collected or owed, with
23 a deposit form for the month as prescribed by the director.
24 The deposit form is due on or before the twentieth day of the
25 month following the month of collection, except a deposit is
26 not required for the third month of the calendar quarter, and
27 the total quarterly amount, less the amounts deposited for the
28 first two months of the quarter, is due with the quarterly
29 report on the last day of the month following the month of
30 collection. At that time, the retailer shall file with the
31 department a return for the preceding quarterly period in the
32 form prescribed by the director showing the sales price of the
33 tangible personal property sold by the retailer during the
34 preceding quarterly period, the use of which is subject to the
35 tax imposed by this chapter, and other information the

1 director deems necessary for the proper administration of this
2 chapter. The return shall be accompanied by a remittance of
3 the tax for the period covered by the return. If necessary in
4 order to ensure payment to the state of the tax, the director
5 may in any or all cases require returns and payments to be
6 made for other than quarterly periods. The director may, upon
7 request and a proper showing of necessity, grant an extension
8 of time not to exceed thirty days for making any return and
9 payment. Returns shall be signed, in accordance with forms
10 and rules prescribed by the director, by the retailer or the
11 retailer's duly authorized agent, and shall be certified by
12 the retailer or agent to be correct.

13 Sec. 32. Section 423.13, Code 1989, is amended by adding
14 after unnumbered paragraph 1 the following new unnumbered
15 paragraph:

16 NEW UNNUMBERED PARAGRAPH. If it is reasonably expected, as
17 determined by rules prescribed by the director, that a
18 retailer's annual use tax liability will not exceed one
19 hundred twenty dollars for a calendar year, the retailer may
20 request and the director may grant permission to the retailer,
21 in lieu of the quarterly filing and remitting requirements of
22 the first paragraph of this section, to file the return
23 required by and remit the use tax due under this section on a
24 calendar year basis. The return and tax are due and payable
25 no later than January 31 following each calendar year in which
26 the retailer carries on business.

27 Sec. 33. Section 425.7, subsection 3, Code 1989, is
28 amended to read as follows:

29 3. If the director of revenue and finance determines that
30 any a claim for homestead credit has been allowed by any the
31 board of supervisors which is not justifiable under the law
32 and not substantiated by proper facts, the director may, at
33 any time within ~~twenty-four~~ thirty-six months from July 1 of
34 the year in which the claim is allowed, set aside the
35 allowance. Notice of the disallowance shall be given to the

1 county auditor of the county in which the claim has been
2 improperly granted and a written notice of the disallowance
3 shall also be addressed to the claimant at the claimant's last
4 known address. The claimant or the board of supervisors may
5 seek judicial review of the action of the director of revenue
6 and finance in accordance with the Iowa administrative
7 procedure Act.

8 PARAGRAPH DIVIDED. ~~In-any-case-where~~ If a claim is so
9 disallowed by the director of revenue and finance and a
10 petition for judicial review is not filed with respect to the
11 disallowance, any amounts of credits allowed and paid from the
12 homestead credit fund including the penalty, if any, become a
13 lien upon the property on which credit was originally granted,
14 if still in the hands of the claimant, and not in the hands of
15 a bona fide purchaser, and any amount so erroneously paid
16 including the penalty, if any, shall be collected by the
17 county treasurer in the same manner as other taxes and the
18 collections shall be returned to the department of revenue and
19 finance and credited to the homestead credit fund. The
20 director of revenue and finance may institute legal
21 proceedings against a homestead credit claimant for the
22 collection of ~~all~~ payments made on disallowed credits and the
23 penalty, if any. If a homestead credit is disallowed and the
24 claimant failed to give written notice to the assessor as
25 required by section 425.2 when the property ceased to be used
26 as a homestead by the claimant, a civil penalty equal to fifty
27 percent of the amount of the disallowed credit is assessed
28 against the claimant.

29 Sec. 34. Section 426A.6, Code 1989, is amended to read as
30 follows:

31 426A.6 SETTING ASIDE ALLOWANCE.

32 If the director of revenue and finance determines that any
33 a claim for military service tax exemption has been allowed by
34 any a board of supervisors which is not justifiable under the
35 law and not substantiated by proper facts, the director may,

1 at any time within ~~twenty-four~~ thirty-six months from July 1
2 of the year in which the claim is allowed, set aside the
3 allowance. Notice of the disallowance shall be given to the
4 county auditor of the county in which the claim has been
5 improperly granted and a written notice of the disallowance
6 shall also be addressed to the claimant at the claimant's last
7 known address. The claimant or the board of supervisors may
8 seek judicial review of the action of the director of revenue
9 and finance in accordance with chapter 17A. ~~In any case,~~
10 ~~where~~ If a claim is ~~so~~ disallowed by the director of revenue
11 and finance and a petition for judicial review is not filed
12 with respect to the disallowance, ~~any amounts of~~ the credits
13 allowed and paid from the general fund of the state become a
14 lien upon the property on which the credit was originally
15 granted, if still in the hands of the claimant, and not in the
16 hands of a bona fide purchaser, ~~and any~~ the amount so
17 erroneously paid shall be collected by the county treasurer in
18 the same manner as other taxes, and the collections shall be
19 returned to the department of revenue and finance and credited
20 to the general fund of the state. The director of revenue and
21 finance may institute legal proceedings against a military
22 service tax exemption claimant for the collection of ~~all~~
23 payments made on disallowed exemptions.

24 Sec. 35. Section 442.15, unnumbered paragraph 2, Code
25 1989, is amended to read as follows:

26 The school district income surtax ~~shall be~~ is imposed on
27 the state individual income tax for the calendar year during
28 which the school's budget year begins, or for a taxpayer's
29 fiscal year ending during the second half of that calendar
30 year or the first half of the succeeding calendar year, and
31 ~~shall be~~ is imposed on all individuals residing in the school
32 district on the last day of the applicable tax year. As used
33 in this section, "state individual income tax" means the tax
34 computed under section 422.5, less the deductions allowed in
35 sections ~~422.107-422.11~~ and 422.12.

1 Sec. 36. Section 450.22, Code 1989, is amended to read as
2 follows:

3 450.22 ADMINISTRATION AVOIDED.

4 When the heirs or persons entitled to inherit the property
5 of an estate subject to tax under this chapter, desire to
6 avoid the appointment of a personal representative as provided
7 in section 450.21, and in all instances where real estate is
8 involved and there are no regular probate proceedings are not
9 had, they or one of them shall file under oath the inventories
10 required by section 633.361 and the required reports, and
11 perform all the duties required by this chapter of the
12 personal representative, and file the inheritance tax return.
13 However, this section does not apply and a return is not re-
14 quired even though real estate is part of the assets subject
15 to tax under this chapter, if all of the assets are held in
16 joint tenancy with right of survivorship between husband and
17 wife alone. Proceedings When this section applies,
18 proceedings for the collection of the tax when a personal
19 representative is not appointed, shall conform as nearly as
20 may-be-to-the-provisions-of possible to proceedings under this
21 chapter in other cases.

22 Sec. 37. Section 451.5, Code 1989, is amended to read as
23 follows:

24 451.5 DUTY OF PERSONAL REPRESENTATIVE.

25 ~~It shall be the duty of the~~ The personal representative of
26 every a decedent whose estate may be subject to the tax
27 imposed by this chapter, ~~to~~ shall file in the office of the
28 director of revenue and finance, ~~within twelve months on or~~
29 before the last day of the ninth month after the death of ~~such~~
30 the decedent, duplicate copies of the estate tax return
31 provided for in the federal estate tax Act, and in like
32 manner, duplicate copies of all supplemental or amended
33 ~~returns, and the value.~~ The values of all items included in
34 the gross estate, as shown by ~~such~~ those returns, or
35 supplemental or amended returns, shall be ~~taken and~~ considered

1 as the values of such those items for the purposes of this
2 chapter; ~~and in.~~ In case of any revaluation or correction of
3 valuation of ~~any-such~~ any of those items, either by such
4 supplemental or amended returns, or by the federal
5 commissioner of internal revenue, or by any an appellate
6 tribunal by which the ~~same-may-be~~ value is finally determined,
7 such the corrected values shall be ~~taken-and~~ considered as the
8 values of such those items for the purposes of this chapter.

9 Sec. 38. Section 422.11, Code 1989, is repealed.

10 Sec. 39. Section 10 of this Act applies to notices from
11 the department denying changes in filing methods, denying
12 refund claims, and denying portions of refund claims issued
13 after the effective date of this Act.

14 Sec. 40. Sections 13, 20 and 21 of this Act are retro-
15 active to January 1, 1989, for tax years beginning on or after
16 that date.

17 Sec. 41. Sections 17, 18, 26, 27, 28, and 29 of this Act
18 are effective January 1, 1990, for tax years beginning on or
19 after that date.

20 Sec. 42. Section 36 of this Act is retroactive to January
21 1, 1988, for estates of decedents dying on or after that date.

22 Sec. 43. Section 37 of this Act is effective July 1, 1989,
23 for estates of decedents dying on or after that date.

24 EXPLANATION

25 The bill amends a number of provisions of Iowa law relating
26 to taxes administered by the department of revenue and
27 finance.

28 In regard to the cigarette and tobacco products tax, the
29 bill permits the department to designate the site of a
30 cigarette permit revocation hearing, changes the criminal
31 penalty for cigarette smuggling from a simple misdemeanor to a
32 fraudulent practice, and deletes a requirement that the
33 secretary of state be appointed for service of process prior
34 to the issuance of a license to an out-of-state tobacco
35 distributor.

1 In regard to the motor fuel tax, the bill deletes the
2 requirement that a foreign corporation must be certified by
3 the secretary of state to do business in Iowa before a fuel
4 tax license will be issued by the department. The bill
5 lengthens the time to file a claim for fuel tax refund from
6 three months to four months from the date of purchase. The
7 bill authorizes special fuel dealers to dispense fuel from
8 tankwagons. The bill provides for an unlimited period of time
9 for the department to make an assessment of tax when a fuel
10 tax return is not filed or is fraudulently filed with the
11 intent to evade tax. In addition, the bill deletes the ten
12 dollar penalty for the late filing of a fuel tax report with
13 the department if no tax is due except in the case of the
14 interstate fuel use tax and deletes the requirement that an
15 administering state agency must prove by a preponderance of
16 the evidence that a licensee had the intent to evade fuel tax
17 before a license can be revoked.

18 The bill provides specific appeal periods for denials of
19 filing methods, denials of refund claims, and denials of par-
20 tial refund claims for cigarette and tobacco tax, motor fuel
21 tax, personal income tax, corporate income tax, franchise tax,
22 sales tax and use tax.

23 The bill removes the requirement that individual income,
24 fiduciary, corporate income, and sales and use tax returns be
25 physically signed by a taxpayer or representative and provides
26 for the signing in accordance with forms and rules prescribed
27 by the director.

28 In regard to the individual and corporate income tax, the
29 bill repeals references to the obsolete Iowa venture capital
30 fund personal and corporate income tax credits. The bill
31 amends the law to specify that a taxpayer cannot deduct both
32 federal net operating loss and the Iowa net operating
33 deduction on the same Iowa return. It provides due dates for
34 individual filers who make estimated payments on a fiscal-year
35 basis. It provides a penalty for a withholding agent who

1 fails to post bond. The penalty is fifteen percent of the
2 stated income tax the withholding agent is required to
3 withhold on an annual basis, not to exceed five thousand
4 dollars. It allows the accrual of interest during a period of
5 time that the statute of limitations on an assessment has been
6 extended by waiver. The bill also imposes a tax on
7 corporations receiving income from sources within Iowa and
8 allows apportionment of income by Iowa corporations which
9 receive income from sources without the state.

10 In regard to the sales and use tax, the bill provides that
11 the state is the owner of any sales tax illegally collected by
12 a retailer which is not claimed by the consumer who paid it to
13 the retailer.

14 The bill amends the hotel/motel tax to allow the director
15 of the department to require the filing of returns on other
16 than a quarterly basis if a requirement is necessary or
17 advisable to ensure collection of hotel/motel tax. The bill
18 allows retailers who hold use tax permits to remit tax no more
19 than annually if the amount of tax they pay to the department
20 is less than one hundred twenty dollars per year.

21 The bill extends the period of time for auditing claims for
22 homestead tax credits and military service tax exemptions from
23 twenty-four months to thirty-six months.

24 In regard to the state inheritance and estate taxes, the
25 bill eliminates the requirement for filing an inheritance tax
26 return if all of the assets of the estate are held in joint
27 tenancy by both spouses because no tax is due on property re-
28 ceived by the surviving spouse and requires the filing of a
29 copy of the federal estate tax return at the time the state
30 estate tax is due.

31 Numerous effective and applicability dates are provided in
32 the bill.

33

34

35

SENATE FILE 154

AN ACT

RELATING TO THE STATE'S CIGARETTE AND TOBACCO PRODUCTS TAX;
FUEL TAX; WITHHOLDING TAX; CORPORATE AND PERSONAL INCOME
TAX; SALES, SERVICES AND USE TAX; FRANCHISE TAX; HOTEL AND
MOTEL TAX; PROPERTY TAX EXEMPTIONS; AND INHERITANCE AND
ESTATE TAXES; AND PROVIDING A PENALTY.

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

Section 1. Section 98.22, subsection 1, Code 1989, is amended to read as follows:

1. If a person holding a permit issued by the department under this division, including a retailer permit for railway car, has willfully violated section 98.2, the department shall revoke the permit upon notice and hearing. If the person violates any other provision of this division, or a rule adopted under this division, or is substantially delinquent in the payment of a tax administered by the department or the interest or penalty on the tax, or if the person is a corporation and if any officer having a substantial legal or equitable interest in the ownership of the corporation owes any delinquent tax of the permit-holding corporation, or interest or penalty on the tax, administered by the department, the department may revoke the permit issued to the person, after giving the permit holder an opportunity to be heard upon ten days' written notice stating the reason for the contemplated revocation and the time and place at which the person may appear and be heard. ~~The hearing shall be held in~~

~~the county of the permit holder's place of business, or in a county in or through which it transacts business. The hearing before the department may be held at a site in the state as the department may direct.~~ The notice shall be given by mailing a copy to the permit holder's place of business as it appears on the application for a permit. If, upon hearing, the department finds that the violation has occurred, the department may revoke the permit.

Sec. 2. Section 98.37, Code 1989, is amended to read as follows:

98.37 CERTAIN OFFENSES AND PENALTIES PROVIDED.

A person who violates a provision of this division is guilty of a ~~simple misdemeanor~~ fraudulent practice unless otherwise provided in this division.

Sec. 3. Section 98.44, subsection 3, Code 1989, is amended to read as follows:

3. A person without this state who ships or transports tobacco products to retailers in this state, to be sold by those retailers, may make application for a license as a distributor, be granted such a license by the director, and thereafter be subject to all the provisions of this division and entitled to act as a licensed distributor; ~~provided the person files proof with the person's application that the person has appointed the secretary of state for the service of process relating to any matter or issue arising under this division; a foreign corporation applying for a distributor's license need not qualify as such if it files the proof of appointment of the secretary of state for service of process as provided in this subdivision.~~

Sec. 4. Section 324.4, unnumbered paragraph 2, Code 1989, is amended to read as follows:

~~A license shall not be issued if the applicant is a foreign corporation, unless it is at the time properly qualified under the laws of this state to do business in this state.~~ The department may deny the issuance of a license to an applicant

who is substantially delinquent in the payment of a tax due, or the interest or penalty on the tax, administered by the department. If the applicant is a partnership, a license may be denied if a partner owes any delinquent tax, penalty or interest, or penalty. If the applicant is a corporation, a license may be denied if any officer having a substantial legal or equitable interest in the ownership of the corporation owes any delinquent tax, interest, or penalty of the applicant corporation.

Sec. 5. Section 324.17, subsection 7, Code 1989, is amended to read as follows:

7. A refund shall not be paid with respect to motor fuel or special fuel purchased more than three four calendar months prior to the date the claim was filed with the department.

Sec. 6. Section 324.36, subsection 2, Code 1989, is amended to read as follows:

2. APPLICATION. Application for a special fuel dealer's license or a special fuel user's license shall be made to the department. A special fuel dealer's license or a special fuel user's license, whichever is applicable, shall be required for each separate place of business or location where special fuels are regularly delivered or placed into the fuel supply tank of a motor vehicle or aircraft. However, if a special fuel dealer also operates one or more bulk plants from which the distribution of a special fuel is primarily by tank vehicle, the special fuel dealer need not obtain a separate license for any of these plants not provided with fixed equipment designed for fueling vehicles or aircraft. Upon written application and at the discretion of the director, a special fuel user whose business operations require mobile special fuel storage may obtain a single special fuel user's license to be issued to the user's permanent principal place of business. Upon written application and at the discretion of the director, a special fuel dealer may be issued a special license to dispense fuel from a tankwagon into the fuel supply

tank of a motor vehicle. The special license shall be issued for the dealer's place of business and all of the provisions of this division apply to the dispensing of fuel from tankwagons. A special fuel dealer is not required to obtain a special license to dispense fuel from a tankwagon into the fuel supply tank of an aircraft.

Sec. 7. Section 324.65, unnumbered paragraph 2, Code 1989, is amended to read as follows:

The appropriate state agency shall not remit any part of a penalty for delinquent payment where if the delinquency results from the fact that a check given in payment is not honored because of insufficient funds in the account upon which the check was drawn. However, if it appears as a result of an investigation ~~or from a preponderance of the evidence adduced at a hearing~~ that there has been a deliberate attempt on the part of a licensee or other person to evade payment of fuel taxes there shall be added to the assessment against the offending person and collected a penalty of seventy-five percent of the tax due. ~~Any A~~ report required of licensees or persons operating under ~~divisions I, II and~~ division III, upon which no tax ~~may be~~ is due, is subject to a penalty of ten dollars if the report is not timely filed with the ~~appropriate state agency state department of transportation.~~

Sec. 8. Section 324.67, Code 1989, is amended to read as follows:

324.67 LIMITATION ON COLLECTION PROCEEDINGS.

An action or other proceeding shall not be maintained to enforce collection of any amount of fuel tax, penalty, or interest over and above the amount shown to be due by reports filed by a licensee except upon an assessment by the department of revenue and finance as authorized in this chapter. ~~No An~~ assessment shall not be made covering any a period beyond three years prior to the date of assessment except that the period for the examination and determination of the correct amount of tax is unlimited in the case of a

false or fraudulent return made with the intent to evade tax or in the case of a failure to file a return.

Sec. 9. Section 324.68, unnumbered paragraph 1, Code 1989, is amended to read as follows:

If a licensee files a false report of the data or information required by this chapter, or fails, refuses, or neglects to file a report required by this chapter, or to pay the full amount of fuel tax as required by this chapter, or is substantially delinquent in paying a tax due, owing, and administered by the department of revenue and finance, and interest and penalty if appropriate, or if the person is a corporation and if any officer having a substantial legal or equitable interest in the ownership of the corporation owes any delinquent tax of the licensee corporation, or interest or penalty on the tax, administered by the department, then after ten days' written notice by mail directed to the last known address of the licensee setting a time and place at which the licensee may appear and show cause why the license should not be canceled, and if the licensee fails to appear or if upon the hearing it is shown by a preponderance of the evidence that the ~~failure licensee failed~~ licensee failed to correctly report or pay ~~was with intent to evade~~ the tax, the appropriate state agency may cancel the license and shall notify the licensee of the cancellation by mail to the licensee's last known address.

Sec. 10. NEW SECTION. 421.10 APPEAL PERIOD -- DENIAL OF TAXPAYER'S CLAIM.

The appeal period for revision of assessment of tax, interest, and penalties set out under section 98.29, 98.46, 324.64, 422.28, or 422.54 applies to appeals to notices from the department denying changes in filing methods, denying refund claims, and denying portions of refund claims for the tax covered by that section.

Sec. 11. Section 422.5, subsection 1, paragraph 3, unnumbered paragraph 4, Code 1989, is amended to read as follows:

In the case of a resident, including a resident estate or trust, the state's apportioned share of the state alternative minimum tax is one hundred percent of the state alternative minimum tax computed in this subsection. In the case of a nonresident, including a nonresident estate or trust, or an individual, estate, or trust that is domiciled in the state for less than the entire tax year, the state's apportioned share of the state alternative minimum tax is the amount of tax computed under this subsection, reduced by the applicable credits in sections 422.10, ~~422.11, 422.11A,~~ and through 422.12 and this result multiplied by a fraction with a numerator of the sum of state net income allocated to Iowa as determined in section 422.8, subsection 2, plus tax preference items, adjustments, and losses under subparagraph (1) attributable to Iowa and with a denominator of the sum of total net income computed under section 422.7 plus all tax preference items, adjustments, and losses under subparagraph (1). In computing this fraction, those items excludable under subparagraph (1) shall not be used in computing the tax preference items. Married taxpayers electing to file separate returns or separately on a combined return must allocate the minimum tax computed in this subsection in the proportion that each spouse's respective preference items, adjustments, and losses under subparagraph (1) bear to the combined preference items, adjustments, and losses under subparagraph (1) of both spouses.

Sec. 12. Section 422.6, unnumbered paragraph 1, Code 1989, is amended to read as follows:

The tax imposed by section 422.5 less the credits credit allowed under section 422.10, ~~section 422.11,~~ and the personal exemption credit allowed under section 422.12 apply to and are a charge against estates and trusts with respect to their taxable income, and the rates are the same as those applicable to individuals. The fiduciary shall make the return of income for the estate or trust for which the fiduciary acts, whether

the income is taxable to the estate or trust or to the beneficiaries.

Sec. 13. Section 422.7, unnumbered paragraph 1, Code 1989, is amended to read as follows:

The term "net income" means the adjusted gross income before the net operating loss deduction as properly computed for federal income tax purposes under the Internal Revenue Code, with the following adjustments:

Sec. 14. Section 422.11A, Code 1989, is amended to read as follows:

422.11A NEW JOBS TAX CREDIT.

The taxes imposed under this division, less credits allowed under sections 422.107-~~422.11~~ and 422.12, shall be reduced by a new jobs tax credit. An industry which has entered into an agreement under chapter 280B and which has increased its base employment level by at least ten percent within the time set in the agreement or, in the case of an industry without a base employment level, adds new jobs within the time set in the agreement is entitled to this new jobs tax credit for the tax year selected by the industry. In determining if the industry has increased its base employment level by ten percent or added new jobs, only those new jobs directly resulting from the project covered by the agreement and those directly related to those new jobs shall be counted. The amount of this credit is equal to the product of six percent of the taxable wages upon which an employer is required to contribute to the state unemployment compensation fund, as defined in section 96.19, subsection 20, times the number of new jobs existing in the tax year that directly result from the project covered by the agreement or new jobs that directly result from those new jobs. The tax year chosen by the industry shall either begin or end during the period beginning with the date of the agreement and ending with the date by which the project is to be completed under the agreement. An individual may claim the new jobs tax credit allowed a partnership,

subchapter S corporation, or estate or trust electing to have the income taxed directly to the individual. The amount claimed by the individual shall be based upon the pro rata share of the individual's earnings of a the partnership, subchapter S corporation, or estate or trust. Any credit in excess of the tax liability for the tax year may be credited to the tax liability for the following ten tax years or until depleted, whichever is the earlier. For purposes of this section, "agreement", "industry", "new job" and "project" mean the same as defined in section 280B.2 and "base employment level" means the number of full-time jobs an industry employs at the plant site which is covered by an agreement under chapter 280B on the date of that agreement.

Sec. 15. Section 422.13, subsection 1, unnumbered paragraph 1, Code 1989, is amended to read as follows:

1. Every resident and or nonresident of this state shall make ~~and sign~~ a return, signed in accordance with forms and rules prescribed by the director, if any of the following are applicable:

Sec. 16. Section 422.14, subsection 1, Code 1989, is amended to read as follows:

1. Every A fiduciary subject to taxation under the ~~provisions of~~ this division, as provided in section 422.6, shall make ~~and sign~~ a return, signed in accordance with forms and rules prescribed by the director, for the individual, estate, or trust for whom or for which the fiduciary acts, if the taxable income thereof amounts to six hundred dollars or more. A nonresident fiduciary shall file a copy of the federal income tax return for the current tax year with the return required by this section.

Sec. 17. Section 422.16, subsection 13, paragraph a, Code 1989, is amended to read as follows:

a. Every A person or married couple filing a return shall make estimated tax payments if the person's or couple's Iowa income tax attributable to income other than wages subject to

withholding can reasonably be expected to amount to fifty dollars or more for the taxable year, except that, in the cases of farmers and fishermen, the exceptions provided in the Internal Revenue Code with respect to making estimated payments apply. The estimated tax shall be paid in quarterly installments. The first installment shall be paid on or before the last day of the fourth month of the taxpayer's tax year for which the estimated payments apply. The other installments shall be paid on or before ~~June 30, September 30, and January 31~~ the last day of the sixth month of the tax year, the last day of the ninth month of the tax year, and the last day of the first month after the tax year. However, at the election of the person or married couple, any an installment of the estimated tax may be paid prior to the date prescribed for its payment. If a person or married couple filing a return has reason to believe that the person's or couple's Iowa income tax may increase or decrease, either for purposes of meeting the requirement to make estimated tax payments or for the purpose of increasing or decreasing estimated tax payments, the person or married couple shall increase or decrease any subsequent estimated tax payments accordingly.

Sec. 18. Section 422.16, subsection 14, Code 1989, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. If the withholding agent fails to file the bond as requested by the director to secure collection of the tax, the withholding agent is subject to penalty for failure to file the bond. The penalty is equal to fifteen percent of the tax the withholding agent is required to withhold on an annual basis. However, the penalty shall not exceed five thousand dollars.

Sec. 19. Section 422.25, subsection 7, Code 1989, is amended to read as follows:

7. The periods of limitation provided by this section may be extended by the taxpayer by signing a waiver agreement to

be provided by the department. Such ~~The~~ agreement shall stipulate the period of extension and the year or years to which such the extension applies. It shall further provide that a claim for refund may be filed by the taxpayer at any time during the period of extension. ~~In consideration of such agreement, interest due in excess of thirty-six months on either a tax deficiency or tax refund shall be waived.~~

Sec. 20. Section 422.33, subsection 1, Code 1989, is amended to read as follows:

1. A tax is hereby imposed annually upon each corporation organized under the laws of this state, and upon every each foreign corporation doing business in this state, or deriving income from sources within this state, annually in an amount computed by applying the following rates of taxation to the net income received by the corporation during the income year:

- a. On the first twenty-five thousand dollars of taxable income, or any part thereof, the rate of six percent.
- b. On taxable income between twenty-five thousand dollars and one hundred thousand dollars or any part thereof, the rate of eight percent.
- c. On taxable income between one hundred thousand dollars and two hundred fifty thousand dollars or any part thereof, the rate of ten percent.
- d. On taxable income of two hundred fifty thousand dollars or more, the rate of twelve percent.

"Income from sources within this state" means income from real or tangible property located or having a situs in this state.

Sec. 21. Section 422.33, subsection 2, unnumbered paragraph 1, Code 1989, is amended to read as follows:

If the trade or business of the corporation is carried on entirely within the state, the tax shall be imposed on the entire net income, but if the trade or business is carried on partly within and partly without the state or if income is derived from sources partly within and partly without the

state, the tax shall be imposed only on the portion of the net income reasonably attributable to the trade or business of sources within the state, with the net income attributable to the state to be determined as follows:

Sec. 22. Section 422.33, subsection 6, Code 1989, is amended by striking the subsection.

Sec. 23. Section 422.36, subsection 1, Code 1989, is amended to read as follows:

1. Every A corporation shall make a return and the same return shall be signed by the president or other duly authorized officer in accordance with forms and rules prescribed by the director. Before a corporation ~~shall be~~ is dissolved and its assets distributed it shall make a return for any settlement of the tax for any income earned in the income year up to its final date of dissolution.

Sec. 24. Section 422.51, subsection 3, Code 1989, is amended to read as follows:

3. Returns shall be signed by the retailer or the retailer's duly authorized agent and must be duly certified by the retailer to be correct in accordance with forms and rules prescribed by the director.

Sec. 25. Section 422.52, Code 1989, is amended by adding the following new subsection:

NEW SUBSECTION. 7. If an amount of tax represented by a retailer to a consumer or user as constituting tax due is computed upon gross receipts that are not taxable or the amount represented is in excess of the actual taxable amount, and the amount represented is actually paid by the consumer or user to the retailer, the excess amount of tax paid shall be returned to the consumer or user upon notification to the retailer by the department or by the consumer or user that an excess payment exists. If the retailer fails to make a return, the amount which the consumer or user has paid to the retailer shall be remitted by the retailer to the department.

Sec. 26. Section 422.85, Code 1989, is amended to read as follows:

422.85 ~~DECLARATION-AND-PAYMENT~~ IMPOSITION OF ESTIMATED TAX.

Every A taxpayer subject to the tax imposed by sections 422.33 and 422.60 shall ~~file a declaration~~ make payments of estimated tax for the taxable year if the amount of tax payable, less credits, can reasonably be expected to be more than one thousand dollars for the taxable year. For purposes of this division, "estimated tax" means the amount which the taxpayer estimates to be the tax due and payable under division III or V of this chapter for the taxable year. ~~if during the first quarter of the taxable year it is determined that the taxpayer's tax liability for the taxable year will exceed one thousand dollars, the declaration of estimated tax shall be filed on or before the last day of the fourth month of the taxable year; if after the last day of the third month and before the first day of the sixth month of the taxable year it is determined that the taxpayer's tax liability for the taxable year will exceed one thousand dollars, the declaration of estimated tax shall be filed on or before the last day of the sixth month of the taxable year; if after the last day of the fifth month and before the first day of the ninth month of the taxable year it is determined that the taxpayer's tax liability for the taxable year will exceed one thousand dollars, the declaration of estimated tax shall be filed on or before the last day of the eighth month and before the first day of the twelfth month of the taxable year; if it is determined that the taxpayer's tax liability for the taxable year will exceed one thousand dollars, the declaration of estimated tax shall be filed on or before the last day of the taxable year;~~

Sec. 27. Section 422.86, Code 1989, is amended to read as follows:

422.86 PAYMENT OF ESTIMATED TAX.

A taxpayer required to file a declaration of pay estimated tax under section 422.85 shall pay the estimated tax in accordance with the following schedule:

1. ~~If the declaration of estimated tax is filed it is first determined that the estimated tax will be greater than one thousand dollars~~ on or before the last day of the fourth month of the taxable year, the estimated tax shall be paid in four equal installments. The first installment shall be paid ~~at the time of the filing of the declaration not later than the last day of the fourth month of the taxable year.~~ The second and third installments shall be paid not later than the last day of the sixth and ninth months of the taxable year, and the final installment shall be paid on or before the last day of the taxable year.

2. ~~If the declaration of estimated tax is timely filed it is first determined that the estimated tax will be greater than one thousand dollars~~ after the last day of the fourth month but not later than the last day of the sixth month of the taxable year, the estimated tax shall be paid in three equal installments. The first installment shall be paid ~~at the time of the filing of the declaration not later than the last day of the sixth month of the taxable year.~~ The second installment shall be paid on or before the last day of the ninth month of the taxable year and the third installment shall be paid on or before the last day of the taxable year.

3. ~~If the declaration of estimated tax is timely filed it is first determined that the estimated tax will be greater than one thousand dollars~~ after the last day of the sixth month and not after ~~but not later than~~ the last day of the ninth month of the taxable year, the estimated tax shall be paid in two equal installments. The first installment shall be paid ~~at the time of the filing of the declaration not later than the last day of the ninth month~~ and the second installment shall be paid on or before the last day of the taxable year.

4. ~~If the declaration of estimated tax is timely filed it is first determined that the estimated tax will be greater than one thousand dollars~~ after the last day of the ninth month of the taxable year, the estimated tax shall be paid in full ~~at the time of the filing of the declaration on or before the last day of the taxable year.~~

~~5. If the declaration of estimated tax is not filed as required under section 422.85, all installments of estimated tax which would have been payable on or before such time shall be paid at the time the declaration of estimated tax is filed. The remaining installments of estimated tax, if any, shall be paid at the time and in the amounts in which they would have been payable if the declaration had been timely filed.~~

5. ~~If an amendment to a declaration is filed, after paying any installment of estimated tax, the taxpayer makes a new estimate,~~ the remaining installments shall be ratably adjusted to reflect the increase or decrease in the estimated tax by reason of such amendment.

Sec. 28. Section 422.91, unnumbered paragraph 1, Code 1989, is amended to read as follows:

Any amount of estimated tax paid on a declaration of estimated tax shall be is a credit against the amount of tax due on a final, completed return, and any overpayment of five dollars or more shall be refunded to the taxpayer with interest, the interest to begin to accrue on the first day of the second calendar month following the date of payment or the date the return was due to be filed or was filed, whichever is the latest, at the rate established under section 421.7, and the return shall ~~constitute~~ constitutes a claim for refund for this purpose. Amounts less than five dollars shall be refunded to the taxpayer only upon written application in accordance with section 422.73, but and only if the application is filed within twelve months after the due date for the return.

Sec. 29. Section 422.92, Code 1989, is amended to read as follows:

422.92 ADMINISTRATION.

A taxpayer having a taxable year of less than twelve months shall ~~file a declaration of~~ pay estimated tax under rules adopted by the director. ~~The director shall adopt rules relating to the filing of amended declarations and payments of estimated tax by taxpayers having a taxable year of less than twelve months. The director shall also adopt rules to permit a taxpayer to amend a declaration of estimated tax.~~

Sec. 30. Section 422A.1, unnumbered paragraph 7, Code 1989, is amended to read as follows:

The tax herein levied shall be in addition to any state sales tax imposed under section 422.43. The provisions of sections ~~Sections~~ 422.25, subsection 4, 422.30, 422.48 to 422.52, 422.54 to 422.58, 422.67, 422.68, 422.69, subsection 1, and 422.70 to 422.75, consistent with the provisions of this chapter, ~~shall~~ apply with respect to the taxes authorized under this chapter, in the same manner and with the same effect as if the hotel and motel taxes were retail sales taxes within the meaning of those statutes. Notwithstanding the ~~provisions of this paragraph,~~ the director shall provide for ~~only~~ quarterly filing of returns as prescribed in section 422.51 and for other than quarterly filing of returns as prescribed in section 422.51, subsection 2. ~~Further, the~~ The director may require all persons, as defined in section 422.42, who are engaged in the business of deriving gross receipts subject to tax under this chapter, to register with the department.

Sec. 31. Section 423.13, unnumbered paragraph 1, Code 1989, is amended to read as follows:

Each ~~a~~ permit holder required or authorized, pursuant to section 423.9 or 423.10, to collect or pay the tax imposed, shall remit to the department the amount of tax, on or before the last day of the month following each calendar quarterly

period. However, a retailer who collects or owes more than fifteen hundred dollars in use taxes in a month shall deposit with the department or in a depository authorized by law and designated by the director, the amount collected or owed, with a deposit form for the month as prescribed by the director. The deposit form is due on or before the twentieth day of the month following the month of collection, except a deposit is not required for the third month of the calendar quarter, and the total quarterly amount, less the amounts deposited for the first two months of the quarter, is due with the quarterly report on the last day of the month following the month of collection. At that time, the retailer shall file with the department a return for the preceding quarterly period in the form prescribed by the director showing the sales price of the tangible personal property sold by the retailer during the preceding quarterly period, the use of which is subject to the tax imposed by this chapter, and other information the director deems necessary for the proper administration of this chapter. The return shall be accompanied by a remittance of the tax for the period covered by the return. If necessary in order to ensure payment to the state of the tax, the director may in any or all cases require returns and payments to be made for other than quarterly periods. The director may, upon request and a proper showing of necessity, grant an extension of time not to exceed thirty days for making any return and payment. Returns shall be signed, in accordance with forms and rules prescribed by the director, by the retailer or the retailer's duly authorized agent, and shall be certified by the retailer or agent to be correct.

Sec. 32. Section 423.13, Code 1989, is amended by adding after unnumbered paragraph 3 the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. If it is reasonably expected, as determined by rules prescribed by the director, that a retailer's annual use tax liability will not exceed one

hundred twenty dollars for a calendar year, the retailer may request and the director may grant permission to the retailer, in lieu of the quarterly filing and remitting requirements of the first paragraph of this section, to file the return required by and remit the use tax due under this section on a calendar year basis. The return and tax are due and payable no later than January 31 following each calendar year in which the retailer carries on business.

Sec. 33. Section 425.7, subsection 3, Code 1989, is amended to read as follows:

3. If the director of revenue and finance determines that any a claim for homestead credit has been allowed by any the board of supervisors which is not justifiable under the law and not substantiated by proper facts, the director may, at any time within twenty-four thirty-six months from July 1 of the year in which the claim is allowed, set aside the allowance. Notice of the disallowance shall be given to the county auditor of the county in which the claim has been improperly granted and a written notice of the disallowance shall also be addressed to the claimant at the claimant's last known address. The claimant or the board of supervisors may seek judicial review of the action of the director of revenue and finance in accordance with the Iowa administrative procedure Act.

PARAGRAPH DIVIDED. In-any-case where if a claim is so disallowed by the director of revenue and finance and a petition for judicial review is not filed with respect to the disallowance, any amounts of credits allowed and paid from the homestead credit fund including the penalty, if any, become a lien upon the property on which credit was originally granted, if still in the hands of the claimant, and not in the hands of a bona fide purchaser, and any amount so erroneously paid including the penalty, if any, shall be collected by the county treasurer in the same manner as other taxes and the collections shall be returned to the department of revenue and

finance and credited to the homestead credit fund. The director of revenue and finance may institute legal proceedings against a homestead credit claimant for the collection of all payments made on disallowed credits and the penalty, if any. If a homestead credit is disallowed and the claimant failed to give written notice to the assessor as required by section 425.2 when the property ceased to be used as a homestead by the claimant, a civil penalty equal to fifty percent of the amount of the disallowed credit is assessed against the claimant.

Sec. 34. Section 426A.6, Code 1989, is amended to read as follows:

426A.6 SETTING ASIDE ALLOWANCE.

If the director of revenue and finance determines that any a claim for military service tax exemption has been allowed by any a board of supervisors which is not justifiable under the law and not substantiated by proper facts, the director may, at any time within twenty-four thirty-six months from July 1 of the year in which the claim is allowed, set aside the allowance. Notice of the disallowance shall be given to the county auditor of the county in which the claim has been improperly granted and a written notice of the disallowance shall also be addressed to the claimant at the claimant's last known address. The claimant or the board of supervisors may seek judicial review of the action of the director of revenue and finance in accordance with chapter 17A. In-any-case; where if a claim is so disallowed by the director of revenue and finance and a petition for judicial review is not filed with respect to the disallowance, any-amounts-of the credits allowed and paid from the general fund of the state become a lien upon the property on which the credit was originally granted, if still in the hands of the claimant, and not in the hands of a bona fide purchaser, and-any the amount so erroneously paid shall be collected by the county treasurer in the same manner as other taxes, and the collections shall be

returned to the department of revenue and finance and credited to the general fund of the state. The director of revenue and finance may institute legal proceedings against a military service tax exemption claimant for the collection of all payments made on disallowed exemptions.

Sec. 35. Section 442.15, unnumbered paragraph 2, Code 1989, is amended to read as follows:

The school district income surtax ~~shall be~~ is imposed on the state individual income tax for the calendar year during which the school's budget year begins, or for a taxpayer's fiscal year ending during the second half of that calendar year or the first half of the succeeding calendar year, and ~~shall be~~ is imposed on all individuals residing in the school district on the last day of the applicable tax year. As used in this section, "state individual income tax" means the tax computed under section 422.5, less the deductions allowed in sections 422.10~~7~~-~~422:11~~ and 422.12.

Sec. 36. Section 450.22, Code 1989, is amended to read as follows:

450.22 ADMINISTRATION AVOIDED.

When the heirs or persons entitled to inherit the property of an estate subject to tax under this chapter desire to avoid the appointment of a personal representative as provided in section 450.21, and in all instances where real estate is involved and there are no regular probate proceedings ~~are not had~~, they or one of them shall file under oath the inventories required by section 633.361 and the required reports, and perform all the duties required by this chapter of the personal representative, and file the inheritance tax return. However, this section does not apply and a return is not required even though real estate is part of the assets subject to tax under this chapter, if all of the assets are held in joint tenancy with right of survivorship between husband and wife alone. Proceedings When this section applies, proceedings for the collection of the tax when a personal

representative is not appointed, shall conform as nearly as ~~may be to the provisions of~~ possible to proceedings under this chapter in other cases.

Sec. 37. Section 451.5, Code 1989, is amended to read as follows:

451.5 DUTY OF PERSONAL REPRESENTATIVE.

~~It shall be the duty of the~~ The personal representative of every decedent whose estate may be subject to the tax imposed by this chapter, ~~to shall~~ file in the office of the director of revenue and finance, ~~within twelve months on or before the last day of the ninth month after the death of such the decedent,~~ duplicate copies of the estate tax return provided for in the federal estate tax Act, and in like manner, duplicate copies of all supplemental or amended returns ~~and the value.~~ The values of all items included in the gross estate, as shown by ~~such those~~ returns, or supplemental or amended returns, shall be ~~taken and~~ considered as the values of ~~such those~~ items for the purposes of this chapter ~~and in.~~ In case of any revaluation or correction of valuation of ~~any such any~~ of those items, either by ~~such~~ supplemental or amended returns, or by the federal commissioner of internal revenue, or by any an appellate tribunal by which the ~~same may be value~~ value is finally determined, ~~such the~~ corrected values shall be ~~taken and~~ considered as the values of ~~such those~~ items for the purposes of this chapter.

Sec. 38. Section 422.11, Code 1989, is repealed.

Sec. 39. Section 10 of this Act applies to notices from the department denying changes in filing methods, denying refund claims, and denying portions of refund claims issued after the effective date of this Act.

Sec. 40. Sections 13, 20 and 21 of this Act are retroactive to January 1, 1989, for tax years beginning on or after that date.

Sec. 41. Sections 17, 18, 25, 27, 28, and 29 of this Act are effective January 1, 1990, for tax years beginning on or after that date.

Sec. 42. Section 36 of this Act is retroactive to January 1, 1988, for estates of decedents dying on or after that date.

Sec. 43. Section 37 of this Act is effective July 1, 1989, for estates of decedents dying on or after that date.

JO ANN ZIMMERMAN
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 154, Seventy-third General Assembly.

JOHN F. DWYER
Secretary of the Senate

Approved May 29, 1989

TERRY E. BRANSTAD
Governor