

REVENUE DEPARTMENT[701]

Adopted and Filed

Rule making related to tax-related due dates

The Revenue Department hereby amends Chapter 7, “Appeals, Taxpayer Representation, and Other Administrative Procedures,” Chapter 39, “Filing Return and Payment of Tax,” Chapter 48, “Composite Returns,” Chapter 52, “Filing Returns, Payment of Tax, Penalty and Interest, and Tax Credits,” Chapter 58, “Filing Returns, Payment of Tax, Penalty and Interest, and Tax Credits,” Chapter 70, “Replacement Tax and Statewide Property Tax,” Chapter 78, “Replacement Tax and Statewide Property Tax on Rate-Regulated Water Utilities,” Chapter 87, “Iowa Estate Tax,” and Chapter 89, “Fiduciary Income Tax,” Iowa Administrative Code.

Legal Authority for Rule Making

This rule making is adopted under the authority provided in Iowa Code section 421.14.

State or Federal Law Implemented

This rule making implements, in whole or in part, 2022 Iowa Acts, House File 2552.

Purpose and Summary

This rule making implements 2022 Iowa Acts, House File 2552, which amends due dates for the Iowa Department of Revenue that fall on Saturdays, Sundays, and holidays. Accordingly, this rule making amends various rules to reflect the enactment of Iowa Code section 421.9A. That section, cited in the amendments, was enacted by 2022 Iowa Acts, House File 2552, section 62.

Public Comment and Changes to Rule Making

Notice of Intended Action for this rule making was published in the Iowa Administrative Bulletin on August 10, 2022, as **ARC 6450C**. No public comments were received. No changes from the Notice have been made.

Adoption of Rule Making

This rule making was adopted by the Department on September 14, 2022.

Fiscal Impact

This rule making has no fiscal impact to the State of Iowa.

Jobs Impact

After analysis and review of this rule making, no impact on jobs has been found.

Waivers

Any person who believes that the application of the discretionary provisions of this rule making would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to rule 701—7.28(17A).

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rule making by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rule making at its [regular monthly meeting](#) or at a special meeting. The Committee’s

meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rule making will become effective on November 9, 2022.

The following rule-making actions are adopted:

ITEM 1. Amend rule 701—7.3(17A), introductory paragraph, as follows:

701—7.3(17A) How to submit an appeal, petition or related documents; service. Appeals, petitions, and other documents governed by this chapter may be filed electronically, by mail, or in person, in accordance with the limits described below. The principal office of the department in the Hoover State Office Building in Des Moines, Iowa, shall generally be open between the hours of 8 a.m. and 4:30 p.m. ~~each weekday, except Saturdays, Sundays, and legal holidays as prescribed in Iowa Code section 4.1(34) daily,~~ except Saturdays, Sundays, and holidays as defined in Iowa Code section 421.9A.

ITEM 2. Amend subrule 7.4(1) as follows:

7.4(1) Computing time. Time shall be computed in accordance with Iowa Code section 4.1(34) ~~421.9A.~~ For electronic submissions, in addition to the requirements described in Iowa Code section 4.1(34) ~~421.9A,~~ local time for the state of Iowa applies.

ITEM 3. Amend paragraph 7.19(8)“d” as follows:

d. When the director initially presides at a hearing or considers decisions on appeal from or review of a proposed decision by the presiding officer other than the director, the order becomes the final order of the department for purposes of judicial review or rehearing unless there is an appeal to or review on motion of a second agency within the time provided by statute or rule. When a presiding officer other than the director presides at the hearing, the order becomes the final order of the department for purposes of judicial review or rehearing unless there is an appeal to or review on motion of the director within 30 days of the date of the order, including Saturdays, Sundays, and ~~legal holidays as defined in Iowa Code section 421.9A,~~ or 10 days, excluding Saturdays, Sundays, and ~~legal holidays as defined in Iowa Code section 421.9A,~~ for a revocation order pursuant to rule 701—7.39(17A). However, if the contested case proceeding involves a question of an award of reasonable litigation costs, the proposed order on the substantive issues shall not be appealable to or reviewable by the director on the director’s motion until the issuance of a proposed order on the reasonable litigation costs. If there is no such appeal or review within 30 days or 10 days, whichever is applicable, from the date of the proposed order on reasonable litigation costs, both the proposed order on the substantive issues and the proposed order on the reasonable litigation costs become the final orders of the department for purposes of judicial review or rehearing. On an appeal from, review of, or application for rehearing concerning the presiding officer’s order, the director has all the power which the director would initially have had in making the decision; however, the director will consider only those issues presented at the hearing before the presiding officer or raised independently by the presiding officer, including the propriety of and the authority for raising issues. The parties will be notified of those issues which will be considered by the director.

ITEM 4. Amend rule 701—39.2(422) as follows:

701—39.2(422) Time and place for filing.

39.2(1) Returns of individuals. A return of income must be filed on or before the due date. The due date is the last day of the fourth month following the close of the taxpayer’s taxable year, whether the return be made on the basis of the calendar year or for a fiscal year, or the last day of the period covered by an extension of time granted by the department. When the due date falls on Saturday, Sunday, or a legal holiday, the return will be due the ~~first business day following the~~ following day that is not a Saturday, Sunday, or legal holiday. Iowa Code section 421.9A contains additional information on due dates that fall on a Saturday, Sunday, or holiday. If a return is placed in the ~~mails~~ mail, properly addressed and postage paid, in ample time to reach the department on or before the due date for filing, no penalty

will attach should the return not be received until after that date. Mailed returns should be addressed to Income Tax Return Processing, Department of Revenue, Hoover State Office Building, Des Moines, Iowa 50319.

Farmers and fishermen have the same filing due date as other individual taxpayers; however, those farmers and fishermen who have elected not to file a declaration of estimated tax shall file their returns and pay the tax due, on or before March 1, to avoid penalty for underpayment of estimated tax.

39.2(2) to 39.2(4) No change.

This rule is intended to implement Iowa Code ~~section~~ sections 422.21 and ~~Iowa Code Supplement section~~ 422.25.

ITEM 5. Amend subrule 48.9(1) as follows:

48.9(1) A composite return of income must be filed on or before the due date. The due date is the last day of the fourth month following the close of the tax year of the partners, shareholders, employees, beneficiaries, estates or trusts included in the composite return, or the last day of the period covered by an extension of time granted by the department. When the due date falls on a Saturday, Sunday, or legal holiday, the composite return is due the ~~first business day following the~~ following day that is not a Saturday, Sunday, or legal holiday. Iowa Code section 421.9A contains additional information on due dates that fall on a Saturday, Sunday, or holiday. If a return is placed in the mail, properly addressed, postage paid, and postmarked on or before the due date for filing, no penalty will attach should the return not be received until after that date. Mailed returns should be addressed to Composite Return Processing, Department of Revenue, P.O. Box 10469, Des Moines, Iowa 50306.

ITEM 6. Amend subrule 52.2(1) as follows:

52.2(1) *Returns of corporations.* A return of income for all corporations must be filed on or before the due date. The due date for all corporations ~~excepting~~ except for cooperative associations as defined in Section 6072(d) of the Internal Revenue Code is the last day of the fourth month following the close of the taxpayer's taxable year, whether the return be made on the basis of the calendar year or the fiscal year; or the last day of the period covered by an extension of time granted by the director. When the due date falls on a Saturday, Sunday, or a legal holiday, the return will be due the ~~first business day following the~~ following day that is not a Saturday, Sunday, or legal holiday. Iowa Code section 421.9A contains additional information on due dates that fall on a Saturday, Sunday, or holiday. If a return is placed in the ~~mails~~ mail, properly addressed and postage paid in ample time to reach the department on or before the due date for filing, no penalty will attach should the return not be received until after that date. Mailed returns should be addressed to Corporate Income Tax Processing, Hoover State Office Building, Des Moines, Iowa 50319.

ITEM 7. Amend subrule 58.2(1) as follows:

58.2(1) *Returns of financial institutions.* A return of income for all financial institutions must be filed on or before the delinquency date. The delinquency date for all financial institutions is the day following the last day of the fourth month following the close of the taxpayer's taxable year, whether the return is made on the basis of the calendar year or the fiscal year; or the day following the last day of the period covered by an extension of time granted by the director. When the last day prior to the delinquency date falls on a Saturday, Sunday, or a legal holiday, the return will be timely if it is filed on the ~~first business day following the~~ following day that is not a Saturday, Sunday, or legal holiday. Iowa Code section 421.9A contains additional information on due dates that fall on a Saturday, Sunday, or holiday. If a return is placed in the ~~mails~~ mail, properly addressed and postage paid in ample time to reach the department on or before the delinquency date for filing, no penalty will attach should the return not be received until after that date. Mailed returns should be addressed to Franchise Tax Processing, P.O. Box 10413, Des Moines, Iowa 50306.

ITEM 8. Amend rule 701—70.2(437A) as follows:

701—70.2(437A) Time and place for filing return. The return must be filed with the director on or before March 31 following the tax year. There is no authority for the director to grant an extension of

time to file a return. Therefore, any return which is not filed on or before March 31 following the tax year is untimely.

A taxpayer whose replacement tax liability before credits is \$300 or less is not required to file a return. A taxpayer should not file a replacement tax return under such circumstances.

When the due date falls on a Saturday, ~~or~~ Sunday, or holiday, the return will be due the ~~first business day following the~~ following day that is not a Saturday, ~~or~~ Sunday, or holiday. If a return is placed in the ~~mails~~ mail, properly addressed and postage paid in ample time to reach the director or the department on or before the due date for filing, no penalty will attach should the return not be received until after that date. The functional meaning of this requirement is that if the return is placed in the ~~mails~~ mail, properly addressed and postage paid, on or before the due date for filing, no penalty will attach. Mailed returns should be addressed to Department of Revenue, Attention: ~~Property Tax Division~~ Local Government Services, Hoover State Office Building, Des Moines, Iowa 50319.

ITEM 9. Amend paragraph **70.6(1)“b”** as follows:

b. Right of person upon receipt of notice of adjustment. A person who has received notice of an adjustment in connection with a return may pay the additional amount stated to be due to the appropriate county treasurer. If payment is made, and the person wishes to contest the matter, the person should file a timely claim for refund. However, payment will not be required until an assessment has been made (although interest will continue to accrue if timely payment is not made). If no payment has been made, the person may discuss with the agent, auditor, clerk, or employee who notified the person of the discrepancy, either in person or through correspondence, all matters of fact and law which may be relevant to the situation. This person may also ask for a conference with the Department of Revenue, ~~Property Tax Division~~ Local Government Services, Hoover State Office Building, Des Moines, Iowa. Documents and records supporting the person’s position may be required.

ITEM 10. Amend rule 701—70.15(437A) as follows:

701—70.15(437A) Time and place for filing return. The return must be filed with the director on or before March 31 following the tax year. There is no authority for the director to grant an extension of time to file a return. Therefore, any return which is not filed on or before March 31 following the tax year is untimely.

When the due date falls on a Saturday, ~~or~~ Sunday, or holiday, the return will be due the ~~first business day following the~~ following day that is not a Saturday, ~~or~~ Sunday, or holiday. If a return is placed in the ~~mails~~ mail, properly addressed and postage paid in ample time to reach the director or the department on or before the due date for filing, no penalty will attach should the return not be received until after that date. The functional meaning of this requirement is that if the return is placed in the ~~mails~~ mail, properly addressed and postage paid, on or before the due date for filing, no penalty will attach. Mailed returns should be addressed to Department of Revenue, Attention: ~~Property Tax Division~~ Local Government Services, Hoover State Office Building, Des Moines, Iowa 50319.

ITEM 11. Amend rule 701—78.2(437B) as follows:

701—78.2(437B) Time and place for filing return. The return must be filed with the director on or before March 31 following the tax year. There is no authority for the director to grant an extension of time to file a return. Therefore, any return which is not filed on or before March 31 following the tax year is untimely.

A taxpayer whose replacement tax liability before credits is \$300 or less is not required to file a return. A taxpayer should not file a replacement tax return under such circumstances.

When the due date falls on a Saturday, ~~or~~ Sunday, or holiday, the return will be due the ~~first business day following the~~ following day that is not a Saturday, ~~or~~ Sunday, or holiday. Iowa Code section 421.9A contains additional information on due dates that fall on a Saturday, Sunday, or holiday. If a return is placed in the ~~mails~~ mail, properly addressed and postage paid in ample time to reach the director or the department on or before the due date for filing, no penalty will attach should the return not be received until after the due date for filing. The functional meaning of this requirement is that if the return is placed

in the ~~mails~~ mail, properly addressed and postage paid, on or before the due date for filing, no penalty will attach. Mailed returns should be addressed to Department of Revenue, Attention: ~~Property Tax Division~~ Local Government Services, Hoover State Office Building, Des Moines, Iowa 50319.

ITEM 12. Amend paragraph **78.6(1)“b”** as follows:

b. Right of taxpayer upon receipt of notice of adjustment. A taxpayer who has received notice of an adjustment in connection with a return may pay the additional amount stated to be due to the appropriate county treasurer. If payment is made, and the taxpayer wishes to contest the matter, the taxpayer should file a timely claim for refund. However, payment will not be required until an assessment has been made, although interest will continue to accrue if timely payment is not made. If no payment has been made, the taxpayer may discuss with the agent, auditor, clerk, or employee who notified the taxpayer of the discrepancy, either in person or through correspondence, all matters of fact and law which may be relevant to the situation. The taxpayer may also ask for a conference with the Department of Revenue, ~~Property Tax Division~~ Local Government Services, Hoover State Office Building, Des Moines, Iowa. Documents and records supporting the taxpayer’s position may be required.

ITEM 13. Amend rule 701—78.14(437B) as follows:

701—78.14(437B) Time and place for filing return. The return must be filed with the director on or before March 31 following the tax year. There is no authority for the director to grant an extension of time to file a return. Therefore, any return which is not filed on or before March 31 following the tax year is untimely.

When the due date falls on a Saturday, ~~or~~ Sunday, ~~or~~ holiday, the return will be due the ~~first business day following the~~ following day that is not a Saturday, ~~or~~ Sunday, ~~or~~ holiday. Iowa Code section 421.9A contains additional information on due dates that fall on a Saturday, Sunday, or holiday. If a return is placed in the ~~mails~~ mail, properly addressed and postage paid in ample time to reach the director or the department on or before the due date for filing, no penalty will attach should the return not be received until after that date. The functional meaning of this requirement is that if the return is placed in the ~~mails~~ mail, properly addressed and postage paid, on or before the due date for filing, no penalty will attach. Mailed returns should be addressed to Department of Revenue, Attention: ~~Property Tax Division~~ Local Government Services, Hoover State Office Building, Des Moines, Iowa 50319.

ITEM 14. Amend subrule 87.3(7) as follows:

87.3(7) Return and payment due date. For estates of decedents dying prior to July 1, 1986, the return shall be filed with the department and the tax due paid within 12 months after the decedent’s death, unless an extension of time has been granted by the department, in which case the return shall be filed and the tax paid within the time prescribed by the extension of time. For estates of decedents dying on or after July 1, 1986, the return must be filed and the tax due paid on or before the last day of the ninth month after the death of the decedent, unless an extension of time has been granted, in which case the return must be filed and the tax due paid within the time prescribed by the extension of time. See 701—paragraph 86.2(6) “a” ~~for~~ and Iowa Code section 421.9A contain additional information on the due date when the last day of the ninth month following death falls on a Saturday, Sunday, or legal holiday.

ITEM 15. Amend subrule 89.4(8) as follows:

89.4(8) Return due date. The fiduciary return must be filed with the department and the tax due paid in full on or before the last day of the fourth month following the end of the taxable year. Payment of 90 percent of the tax due with the filing of a return will grant a taxpayer a six-month automatic extension of time to pay the remaining tax due. If the due date falls on a Saturday, Sunday, ~~or~~ legal holiday, the due date is the next day ~~which~~ that is not a Saturday, Sunday, ~~or~~ legal holiday as defined in Iowa Code

section 4.1 421.9A. Returns not timely filed with 90 percent of the tax timely paid are subject to penalty as provided in rule ~~89.6(422)~~ 701—89.6(422).

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