

Sec. 2. Section 137F.6, Code Supplement 2001,¹ is amended by adding the following new subsection:

NEW SUBSECTION. 7. For a farmers market where potentially hazardous food is sold or distributed, one seasonal license fee of one hundred dollars for each vendor on a countywide basis.

Sec. 3. EFFECTIVE DATE. This Act, being deemed of immediate importance, takes effect upon enactment.

Approved May 2, 2002

CHAPTER 1150

TAX ADMINISTRATION AND RELATED MATTERS

S.F. 2305

AN ACT relating to the administration of the tax and related laws by the department of revenue and finance, including administration of state individual income, corporate income, sales and use, property, motor fuel, and special fuel.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 331.401, subsection 1, paragraph k, Code 2001, is amended to read as follows:

k. Levy taxes as certified to it by tax-certifying bodies in the county, in accordance with the statutes authorizing the levies and in accordance with chapter 24 and sections 444.1 to 444.8, and levy taxes as required in chapters 430A, 433, 434, 436, 437, and 438.

Sec. 2. Section 331.512, subsection 8, Code 2001, is amended by striking the subsection.

Sec. 3. Section 420.207, Code 2001, is amended to read as follows:

420.207 TAXATION IN GENERAL.

Sections 426A.11 through 426A.15, 427.1, 427.8 to 427.11, 428.4, 428.20, 428.22, 428.23, 436.10, 436.11, 437.1, 437.3, 441.21, 443.1 to 443.3, 444.2 to 444.5, and 447.9 to 447.13, so far as applicable, apply to cities acting under special charters.

Sec. 4. Section 422.7, subsection 4, Code Supplement 2001, is amended to read as follows:

4. Subtract ~~installment~~ payments received by a beneficiary under an annuity which was purchased under an employee's pension or retirement plan when the commuted value of said ~~the~~ installments has been included as a part of the decedent employee's estate for Iowa inheritance tax purposes.

Sec. 5. Section 422.25, subsection 5, Code 2001, is amended to read as follows:

5. A person or withholding agent required to supply information, to pay tax, or to make, sign, or file a ~~semimonthly, monthly, or quarterly~~ deposit form or return or ~~supplemental return required by this division~~, who willfully makes a false or fraudulent ~~semimonthly, monthly, or quarterly~~ deposit form or return, or willfully fails to pay the tax, supply the information, or make, sign, or file the ~~semimonthly, monthly, or quarterly~~ deposit form or return, at the time or times required by law, is guilty of a fraudulent practice.

¹ Code 2001 probably intended

Sec. 6. Section 422.43, subsection 11, unnumbered paragraph 1, Code Supplement 2001, is amended to read as follows:

The following enumerated services are subject to the tax imposed on gross taxable services: alteration and garment repair; armored car; vehicle repair; battery, tire, and allied; investment counseling; service charges of all financial institutions; barber and beauty; boat repair; vehicle wash and wax; carpentry; roof, shingle, and glass repair; dance schools and dance studios; dating services; dry cleaning, pressing, dyeing, and laundering; electrical and electronic repair and installation; rental of tangible personal property, except manufactured or mobile homes which are tangible personal property; excavating and grading; farm implement repair of all kinds; flying service; furniture, rug, upholstery repair and cleaning; fur storage and repair; golf and country clubs and all commercial recreation; house and building moving; household appliance, television, and radio repair; jewelry and watch repair; limousine service, including driver; machine operator; machine repair of all kinds; motor repair; motorcycle, scooter, and bicycle repair; oilers and lubricators; office and business machine repair; painting, papering, and interior decorating; parking facilities; pipe fitting and plumbing; wood preparation; licensed executive search agencies; private employment agencies, excluding services for placing a person in employment where the principal place of employment of that person is to be located outside of the state; sewage services for nonresidential commercial operations; sewing and stitching; shoe repair and shoeshine; sign construction and installation; storage of household goods, mini-storage, and warehousing of raw agricultural products; swimming pool cleaning and maintenance; taxidermy services; telephone answering service; test laboratories, including mobile testing laboratories and field testing by testing laboratories, and excluding tests on humans or animals; termite, bug, roach, and pest eradicators; tin and sheet metal repair; turkish baths, massage, and reducing salons, excluding services provided by massage therapists licensed under chapter 152C; weighing; welding; well drilling; wrapping, packing, and packaging of merchandise other than processed meat, fish, fowl, and vegetables; wrecking service; wrecker and towing; pay television; campgrounds; carpet and upholstery cleaning; gun and camera repair; janitorial and building maintenance or cleaning; lawn care, landscaping, and tree trimming and removal; pet grooming; reflexology; security and detective services; tanning beds or salons; and water conditioning and softening.

Sec. 7. Section 422.45, subsection 3, unnumbered paragraph 1, Code Supplement 2001, is amended to read as follows:

The gross receipts from sales or rental of tangible personal property, or services rendered by any entity where the profits from the sales or rental of the tangible personal property or services rendered are used by or donated to a nonprofit entity which is exempt from federal income taxation pursuant to section 501(c)(3) of the Internal Revenue Code, a government entity, or a nonprofit private educational institution, and where the entire proceeds from the sales, rental, or services are expended for any of the following purposes:

Sec. 8. Section 422.51, subsection 5, Code 2001, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. A business required to file a consolidated sales tax return shall file a form entitled "schedule of consolidated business locations" with its quarterly sales tax return that shows the taxpayer's consolidated permit number, the permit number for each Iowa business location, the state sales tax amount by business location, and the amount of state sales tax due on goods consumed that are not assigned to a specific business location. Consolidated quarterly sales tax returns that are not accompanied by the schedule of consolidated business locations form are considered incomplete and are subject to penalty under section 421.27.

Sec. 9. Section 423.14, Code 2001, is amended to read as follows:

423.14 LIABILITY OF USER.

Any person who uses any property or services enumerated in section 422.43 upon which the

tax ~~herein~~ imposed under this chapter has not been paid, either to the county treasurer or to a retailer or direct to the department as ~~herein~~ provided in this chapter, shall be liable ~~therefor~~ for the payment of tax, and shall on or before the last day of the month next succeeding each quarterly period pay the tax ~~herein~~ imposed upon all such property and services used by the person during the preceding quarterly period in ~~such~~ the manner and accompanied by such returns as the director shall prescribe. All of the provisions of section 423.13 with reference to ~~such~~ the returns and payments shall be applicable to the returns and payments ~~herein~~ required under this section.

Sec. 10. Section 427A.1, subsection 1, paragraph h, Code Supplement 2001, is amended to read as follows:

h. Property assessed by the department of revenue and finance pursuant to sections 428.24 to 428.29, or chapters 433, 434, 437, 437A, and ~~436 to~~ 438.

Sec. 11. Section 427B.17, subsection 5, unnumbered paragraph 1, Code 2001, is amended to read as follows:

This section shall not apply to property assessed by the department of revenue and finance pursuant to sections 428.24 to 428.29, or chapters 433, 434, 437, 437A, and ~~436 to~~ 438, and such property shall not receive the benefits of this section.

Sec. 12. Section 429.1, Code 2001, is amended to read as follows:

429.1 NOTICE OF ASSESSMENT.

The director of revenue and finance shall, at the time of making the assessment of property as provided in chapters 428, 433, 434, ~~436~~, 437, and 438, inform the person assessed, by mail, of the valuation put upon the taxpayer's property. The notice shall contain a notice of the taxpayer's right of appeal to the state board of tax review as provided in section 429.2.

Sec. 13. Section 441.21, subsections 5, 9, and 10, Code Supplement 2001, are amended to read as follows:

5. For valuations established as of January 1, 1979, commercial property and industrial property, excluding properties referred to in section 427A.1, subsection 7, shall be assessed as a percentage of the actual value of each class of property. The percentage shall be determined for each class of property by the director of revenue for the state in accordance with the provisions of this section. For valuations established as of January 1, 1979, the percentage shall be the quotient of the dividend and divisor as defined in this section. The dividend for each class of property shall be the total actual valuation for each class of property established for 1978, plus six percent of the amount so determined. The divisor for each class of property shall be the valuation for each class of property established for 1978, as reported by the assessors on the abstracts of assessment for 1978, plus the amount of value added to the total actual value by the revaluation of existing properties in 1979 as equalized by the director of revenue pursuant to section 441.49. For valuations established as of January 1, 1979, property valued by the department of revenue pursuant to chapters 428, 433, ~~436~~, 437, and 438 shall be considered as one class of property and shall be assessed as a percentage of its actual value. The percentage shall be determined by the director of revenue in accordance with the provisions of this section. For valuations established as of January 1, 1979, the percentage shall be the quotient of the dividend and divisor as defined in this section. The dividend shall be the total actual valuation established for 1978 by the department of revenue, plus ten percent of the amount so determined. The divisor for property valued by the department of revenue pursuant to chapters 428, 433, ~~436~~, 437, and 438 shall be the valuation established for 1978, plus the amount of value added to the total actual value by the revaluation of the property by the department of revenue as of January 1, 1979. For valuations established as of January 1, 1980, commercial property and industrial property, excluding properties referred to in section 427A.1, subsection 7, shall be assessed at a percentage of the actual value of each class of property. The percentage shall be determined for each class of property by the director of revenue for

the state in accordance with the provisions of this section. For valuations established as of January 1, 1980, the percentage shall be the quotient of the dividend and divisor as defined in this section. The dividend for each class of property shall be the dividend as determined for each class of property for valuations established as of January 1, 1979, adjusted by the product obtained by multiplying the percentage determined for that year by the amount of any additions or deletions to actual value, excluding those resulting from the revaluation of existing properties, as reported by the assessors on the abstracts of assessment for 1979, plus four percent of the amount so determined. The divisor for each class of property shall be the total actual value of all such property in 1979, as equalized by the director of revenue pursuant to section 441.49, plus the amount of value added to the total actual value by the revaluation of existing properties in 1980. The director shall utilize information reported on the abstracts of assessment submitted pursuant to section 441.45 in determining such percentage. For valuations established as of January 1, 1980, property valued by the department of revenue pursuant to chapters 428, 433, 436, 437, and 438 shall be assessed at a percentage of its actual value. The percentage shall be determined by the director of revenue in accordance with the provisions of this section. For valuations established as of January 1, 1980, the percentage shall be the quotient of the dividend and divisor as defined in this section. The dividend shall be the total actual valuation established for 1979 by the department of revenue, plus eight percent of the amount so determined. The divisor for property valued by the department of revenue pursuant to chapters 428, 433, 436, 437, and 438 shall be the valuation established for 1979, plus the amount of value added to the total actual value by the revaluation of the property by the department of revenue as of January 1, 1980. For valuations established as of January 1, 1981, and each year thereafter, the percentage of actual value as equalized by the director of revenue and finance as provided in section 441.49 at which commercial property and industrial property, excluding properties referred to in section 427A.1, subsection 7, shall be assessed shall be calculated in accordance with the methods provided herein, except that any references to six percent in this subsection shall be four percent. For valuations established as of January 1, 1981, and each year thereafter, the percentage of actual value at which property valued by the department of revenue and finance pursuant to chapters 428, 433, 436, 437, and 438 shall be assessed shall be calculated in accordance with the methods provided herein, except that any references to ten percent in this subsection shall be eight percent. Beginning with valuations established as of January 1, 1979, and each year thereafter, property valued by the department of revenue and finance pursuant to chapter 434 shall also be assessed at a percentage of its actual value which percentage shall be equal to the percentage determined by the director of revenue and finance for commercial property, industrial property, or property valued by the department of revenue and finance pursuant to chapters 428, 433, 436, 437, and 438, whichever is lowest.

9. Not later than November 1, 1979, and November 1 of each subsequent year, the director shall certify to the county auditor of each county the percentages of actual value at which residential property, agricultural property, commercial property, industrial property, and property valued by the department of revenue and finance pursuant to chapters 428, 433, 434, 436, 437, and 438 in each assessing jurisdiction in the county shall be assessed for taxation. The county auditor shall proceed to determine the assessed values of agricultural property, residential property, commercial property, industrial property, and property valued by the department of revenue and finance pursuant to chapters 428, 433, 434, 436, 437, and 438 by applying such percentages to the current actual value of such property, as reported to the county auditor by the assessor, and the assessed values so determined shall be the taxable values of such properties upon which the levy shall be made.

10. The percentage of actual value computed by the director for agricultural property, residential property, commercial property, industrial property and property valued by the department of revenue and finance pursuant to chapters 428, 433, 434, 436, 437, and 438 and used to determine assessed values of those classes of property does not constitute a rule as defined in section 17A.2, subsection 11.

Sec. 14. Section 441.73, subsection 1, Code 2001, is amended to read as follows:

1. A litigation expense fund is created in the state treasury. The litigation expense fund shall be used for the payment of litigation expenses incurred by the state to defend property valuations established by the director of revenue and finance pursuant to section 428.24 and chapters 430A, 433, 434, 436, 437, 437A, and 438, and for the payment of litigation expenses incurred by the state to defend the imposition of replacement taxes and statewide property taxes under chapter 437A.

Sec. 15. Section 452A.3, subsection 3, Code Supplement 2001, is amended to read as follows:

3. For the privilege of operating motor vehicles or aircraft in this state, there is imposed an excise tax on the use of special fuel in a motor vehicle or aircraft. The tax rate on special fuel for diesel engines of motor vehicles is twenty-two and one-half cents per gallon. The rate of tax on special fuel for aircraft is three cents per gallon. On all other special fuel, unless otherwise specified in this section, the per gallon rate is the same as the motor fuel tax. Indelible dye meeting United States environmental protection agency and internal revenue service regulations must be added to fuel before or upon withdrawal at a terminal or refinery rack for that fuel to be exempt from tax and the dyed fuel may be used only for an exempt purpose.

Sec. 16. Section 452A.3, Code Supplement 2001, is amended by adding the following new subsection:

NEW SUBSECTION. 3A. For liquefied petroleum gas used as a special fuel, the rate of tax shall be twenty cents per gallon.

Sec. 17. Section 452A.15, Code 2001, is amended by adding the following new subsection:

NEW SUBSECTION. 4. The director may require by rule that reports be filed by electronic transmission.

Sec. 18. Section 452A.17, subsection 3, paragraph a, Code Supplement 2001, is amended to read as follows:

a. A claim for refund shall not be allowed unless the claimant has accumulated sixty dollars in credits for one calendar year. A claim for refund may be filed any time the sixty dollar minimum has been met within the calendar year. If the sixty dollar minimum has not been met in the calendar year, the credit shall be claimed on the claimant's income tax return unless the taxpayer is not required to file an income tax return in which case a refund shall be allowed. Once the sixty dollar minimum has been met, the claim for refund must be filed within one year three years following the end of the month in which the earliest invoice is dated.

Sec. 19. Section 452A.19, unnumbered paragraph 2, Code 2001, is amended to read as follows:

A person whose refund permit is revoked for cause may not obtain another refund permit for a period of one year after the revocation. A refund permit under which ~~no~~ a refund is not claimed for a period of ~~one year~~ three years or a refund permit whose holder has moved from the county in which the holder resided at the time of application for the permit is invalid subject to reinstatement or issuance of a new permit upon application as provided in section 452A.18.

Sec. 20. Section 452A.21, unnumbered paragraph 3, Code 2001, is amended to read as follows:

A refund shall not be issued unless the claim is filed within ~~one year~~ three years following the end of the month during which the ethanol blended gasoline was actually blended. An income tax credit is not allowed under this section.

Sec. 21. Section 452A.72, unnumbered paragraph 2, Code 2001, is amended to read as follows:

A refund shall not be made under this section unless a written claim setting forth the circum-

stances for which the refund should be allowed is filed with the appropriate state agency within ~~one year~~ three years from the date of the payment of the taxes erroneously or illegally collected or paid.

Sec. 22. Sections 422.101, 422.102, 422.103, and 422.104, Code 2001, are repealed.

Sec. 23. Chapter 436, Code 2001, is repealed.

Approved May 6, 2002

CHAPTER 1151

TAX ADMINISTRATION — ADDITIONAL RELATED MATTERS

H.F. 2622

AN ACT relating to the administration of the tax and related laws by the department of revenue and finance, including administration of state individual income, corporate income, sales and use, property, motor fuel, special fuel, and inheritance taxes, directing a study, and including effective and retroactive applicability date provisions.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 404.4, unnumbered paragraph 2, Code Supplement 2001, is amended to read as follows:

An application shall be filed for each new exemption claimed. The first application for an exemption shall be filed by the owner of the property with the governing body of the city or county in which the property is located by February 1 of the assessment year for which the exemption is first claimed, but not later than the year in which all improvements included in the project are first assessed for taxation, unless or the following two assessment years, in which case the exemption is allowed for the total number of years in the exemption schedule. ~~However,~~ upon the request of the owner at any time, the governing body of the city or county provides by resolution that the owner may file an application by February 1 of any other assessment year selected by the governing body in which case the exemption is allowed for the number of years remaining in the exemption schedule selected. The application shall contain, but not be limited to, the following information: The nature of the improvement, its cost, the estimated or actual date of completion, the tenants that occupied the owner's building on the date the city or county adopted the resolution referred to in section 404.2, subsection 1, and which exemption in section 404.3 or in the different schedule, if one has been adopted, will be elected.

Sec. 2. NEW SECTION. 421.17B ADMINISTRATIVE WAGE ASSIGNMENT COOPERATIVE AGREEMENT.

1. DEFINITIONS. As used in this section, unless the context otherwise requires:

a. "Employer" means any person or entity that pays an obligor to do a specific task. "Employer" only includes such a person or entity in an employer-employee relationship and does not include an obligor acting as a contractor, distributor, agent, or in any representative capacity in which the obligor receives any form of consideration.

b. "Employment" means the performance of personal services for another. "Employment" only includes parties in an employer-employee relationship and does not include one acting as a self-employer, contractor, distributor, agent, or in any representative capacity.