

attained. The report may include any proposed amendments to the plan for the next following school year.

Annually, the department shall summarize the information contained in the reports filed by the school districts and area education agencies. The reports shall be available upon request.

Sec. 8. Section 294A.22, unnumbered paragraph 1, Code 1989, is amended to read as follows:

Payments for each phase of the educational excellence program shall be made by the department of revenue and finance on a quarterly monthly basis, and the commencing on October 15 and ending on June 15 of each fiscal year taking into consideration the relative budget and cash position of the state resources. The payments shall be separate from state aid payments made pursuant to sections 442.25 and 442.26. For the school year beginning July 1, 1987, the first quarterly payment shall be made not later than October 15, 1987 taking into consideration the relative budget and cash position of the state resources. The payments made under this section to a school district or area education agency may be combined and a separate accounting of the amount paid for each program shall be included.

Sec. 9. Section 294A.22, Code 1989, is amended by adding the following new unnumbered paragraph:

**NEW UNNUMBERED PARAGRAPH.** Payments made to a teacher by a school district or area education agency under this chapter are wages for the purposes of chapter 91A except for payments made under an approved phase III plan where a modified payment plan has either been mutually agreed upon by the board of directors and the certified bargaining representative for certificated employees or for a district that is not organized for collective bargaining purposes where a modified payment plan is adopted by the board.

Sec. 10. Section 5 of this Act applies to phase III plans submitted for the school year beginning July 1, 1989.

Approved March 7, 1989

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## CHAPTER 6

### INCOME TAX ESTIMATES AND WITHHOLDING, INHERITANCE TAXES, AND RAILWAY TAXES

*S.F. 113*

**AN ACT** relating to state taxes and tax administration by increasing the threshold for making estimated income tax payments, allowing an election by withholding agents to make estimated tax payments on behalf of nonresidents on incomes from agricultural products, providing for the adoption of federal estate tax values by agreement between the estate and the department, and the repealing of the railway vehicle fuel tax and railway mileage tax, and providing effective dates and applicability provisions.

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

Section 1. Section 307B.23, subsection 1, Code 1989, is amended to read as follows:

1. There is created in the office of the state treasurer a "special railroad facility fund". This fund shall include moneys credited to this fund under sections section 307.29, 435.9, and other moneys which by law may be credited to the special railroad facility fund. The moneys in the special railroad facility fund are appropriated to and for the purposes of the authority as provided in this chapter. The funds in the special railroad facility fund shall not be considered as a part of the general fund of the state, are not subject to appropriation for any other purpose by the general assembly, and in determining a general fund balance shall not be included in the

general fund of the state but shall remain in the special railroad facility fund to be used for the purposes set forth in this section. The treasurer of state shall act as custodian of the fund and disburse amounts contained in it as directed by the authority. The treasurer of state is authorized to invest the funds deposited in the special railroad facility fund at the direction of the authority and subject to any limitations contained in the bond proceedings. The income from such investment shall be credited to and deposited in the special railroad facility fund. This fund shall be administered by the authority and may be used to purchase or upgrade railroad right-of-way and trackage facilities or to purchase general or limited partnership interests in a partnership formed to purchase, upgrade, or operate railroad right-of-way and trackage facilities, to pay or secure obligations issued by the authority, to pay obligations, judgments, or debts for which the authority becomes liable in its capacity as a general partner, or for any other use authorized under this chapter. The fund may also be used to purchase or upgrade railroad right-of-way and trackage facilities for the development of railroad passenger tourism.

Sec. 2. Section 307B.23, subsection 2, Code 1989, is amended by striking the subsection.

Sec. 3. Section 421.27, unnumbered paragraph 1, Code 1989, is amended to read as follows:

The penalty provided for failure to remit at least ninety percent of the tax due or of the tax due with the filing of the deposit form or return or to pay at least ninety percent of the tax required to be shown on the return under section 98.28, 98.46, 324.65, 422.16, 422.25, 422.58, 422.66, 423.18, ~~435.5~~, 450.63, 450A.12, or 451.12 shall not be assessed by the department under any of the following conditions:

Sec. 4. Section 422.16, subsection 11, paragraph a, Code 1989, is amended to read as follows:

a. Every 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 two hundred 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. However, at the election of the person or married couple, any 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. 5. Section 422.16, subsection 12, unnumbered paragraph 2, Code 1989, is amended to read as follows:

Notwithstanding this subsection, withholding agents are not required to withhold state income tax from payments subject to taxation made to nonresidents for commodity credit certificates, grain, livestock, domestic fowl, or other agricultural commodities or products sold to the withholding agents by the nonresidents or their representatives, if the withholding agents provide on forms prescribed by the department information relating to the sales required by the department to determine the state income tax liabilities of the nonresidents.  However, the withholding agents may elect to make estimated tax payments on behalf of the nonresidents on the basis of the net incomes of the nonresidents from the agricultural commodities or products, if the estimated tax payments are made on or before the last day of the first month after the end of the tax years of the nonresidents.

Sec. 6. Section 450.37, subsection 2, unnumbered paragraph 1, Code 1989, is amended to read as follows:

Fair market value in the ordinary course of trade shall be established by agreement, including an agreement to accept the values as finally determined for federal estate tax purposes. The

agreement shall be between the department of revenue and finance, the personal representative, and the persons who have an interest in the property.

Sec. 7. Chapters 324A and 435, Code 1989, are repealed.

Sec. 8. EFFECTIVE DATES AND APPLICABILITY.

1. Section 4 of this Act takes effect January 1, 1990, and is applicable to tax years beginning on or after that date.

2. Section 5 of this Act applies retroactively to January 1, 1989, for tax years beginning on or after that date.

3. Section 6 of this Act is applicable to the estates of decedents dying on or after July 1, 1989.

4. This Act, being deemed of immediate importance, takes effect upon enactment.

Approved March 7, 1989

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## CHAPTER 7

### DISSOLUTION OF ELDORA CEMETERY SOCIETY

*H.F. 69*

**AN ACT** relating to the dissolution of the Eldora Cemetery Society, Incorporated and the disposition of its property, and providing effective dates.

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

Section 1. DISSOLUTION OF THE ELDORA CEMETERY SOCIETY, INC. Pursuant to sections 504.2 and 504.8, the Eldora Cemetery Society, Incorporated, a not for pecuniary profit corporation organized as a cemetery association under chapter 504, is dissolved effective May 1, 1989. On May 1, 1989, the operation and maintenance of the cemetery become the responsibility of the city of Eldora, Iowa. All real and personal properties of the corporation, subject to the rights of creditors to the corporation, are transferred to the city of Eldora, Iowa, effective May 1, 1989.

Sec. 2. This Act takes effect on April 15, 1989.

Approved March 8, 1989

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## CHAPTER 8

### ELECTION OF STATE BOARD OF EDUCATION PRESIDENT

*H.F. 133*

**AN ACT** relating to the election of the president of the state board of education.

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

Section 1. Section 256.7, Code 1989, is amended by adding the following new subsection: **NEW SUBSECTION.** 13. Elect to a two-year term, from its members in each even-numbered year, a president of the state board, who shall serve until a successor is elected and qualified.

Approved March 8, 1989