

**CHAPTER 1167**  
**TAX ADMINISTRATION AND RELATED MATTERS**  
**S.F. 2455**

**AN ACT** relating to the administration of taxes; electronic filing of tax returns and payments; imposition of the penalty for willfully filing a false claim for refund; low income, elderly, and disabled property tax credit filing and certification dates; computation of the real estate transfer tax; repeal of obsolete property tax provision; and providing effective and retroactive applicability dates.

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

Section 1. Section 421.17, Code Supplement 1995, is amended by adding the following new subsection:

**NEW SUBSECTION.** 15. The director may establish criteria allowing for the use of electronic filing or the use of alternative filing methods of any return, deposit, or document required to be filed for taxes administered by the department. The director may also establish criteria allowing for payment of taxes, penalty, interest, and fees by electronic funds transfer or other alternative methods.

The director shall adopt rules setting forth procedures for use in electronic filing and electronic funds transfer or other alternative methods and standards that provide for acceptance of a signature in a form other than the handwriting of a person. The rules shall also take into consideration any undue hardship electronic filing or electronic funds transfer or other alternative methods create for filers.

Sec. 2. Section 421.27, Code 1995, is amended by adding the following new subsection:

**NEW SUBSECTION.** 5A. **IMPROPER RECEIPT OF REFUND OR CREDIT.** A person who makes an erroneous application for refund shall be liable for any overpayment received plus interest at the rate in effect under section 421.7. In addition, a person who willfully makes a false or frivolous application for refund with intent to evade tax is guilty of a fraudulent practice and is liable for a penalty equal to seventy-five percent of the refund claimed. Repayments, penalties, and interest due under this subsection may be collected and enforced in the same manner as the tax imposed.

Sec. 3. Section 425.20, unnumbered paragraph 2, Code 1995, is amended to read as follows:

A claim for credit for property taxes due shall not be paid or allowed unless the claim is filed with the county treasurer between January 1 and June 1, both dates inclusive, immediately preceding the fiscal year during which the property taxes are due. However, in case of sickness, absence, or other disability of the claimant, or if in the judgment of the county treasurer good cause exists, the county treasurer may extend the time for filing a claim for credit through September 30 of the same calendar year. The county treasurer shall ~~submit the claim~~ certify to the director of revenue and finance on or before ~~August~~ May 1 of each year the total amount of dollars due for claims allowed.

Sec. 4. Section 425.23, subsection 3, paragraph a, Code 1995, is amended to read as follows:

a. A person who is eligible to file a claim for credit for property taxes due and who has a household income of six thousand dollars or less and who has an unpaid special assessment levied against the homestead may file a claim for a special assessment credit with the county treasurer ~~that the claimant had a household income of six thousand dollars or less and that an unpaid special assessment is presently levied against the homestead.~~ The department shall provide to the respective treasurers the forms necessary for the administration of this subsection. The claim shall be filed not later than September 30 of each year.

Upon the filing of the claim, interest for late payment shall not accrue against the amount of the unpaid special assessment due and payable. The claim filed by the claimant constitutes a claim for credit of an amount equal to the actual amount due upon the unpaid special assessment, plus interest, payable during the fiscal year for which the claim is filed against the homestead of the claimant. However, where the claimant is an individual described in section 425.17, subsection 2, paragraph "b", and the tentative credit is determined according to the schedule in section 425.23, subsection 1, paragraph "b", subparagraph (2), the claim filed constitutes a claim for credit of an amount equal to one-half of the actual amount due and payable during the fiscal year. ~~The department of revenue and finance shall, upon the filing of the claim with the department by the treasurer, pay that amount of the unpaid special assessment during the current fiscal year to the treasurer. The treasurer shall submit the claims~~ certify to the director of revenue and finance not later than October 15 of each year the total amount of dollars due for claims allowed. ~~The director of revenue and finance shall certify the amount of reimbursement due each county for unpaid special assessment credits allowed under this subsection.~~ The amount of reimbursement due each county shall be paid by the director of revenue and finance ~~on October 20~~ by November 15 of each year, drawn upon warrants payable to the respective treasurer. There is appropriated annually from the general fund of the state to the department of revenue and finance an amount sufficient to carry out the provisions of this subsection. The treasurer shall credit any moneys received from the department against the amount of the unpaid special assessment due and payable on the homestead of the claimant.

Sec. 5. Section 427.1, subsection 27, Code Supplement 1995, is amended by striking the subsection.

Sec. 6. Section 428A.1, unnumbered paragraph 1, Code 1995, is amended to read as follows:

There is imposed on each deed, instrument, or writing by which any lands, tenements, or other realty in this state are granted, assigned, transferred, or otherwise conveyed, a tax determined in the following manner: When there is no consideration or when the deed instrument or writing is executed and tendered for recording as an instrument corrective of title, and so states, there is no tax. When there is consideration and the actual market value of the real property transferred is in excess of five hundred dollars, the tax is eighty cents for each five hundred dollars or fractional part of five hundred dollars in excess of five hundred dollars. The term "consideration", as used in this chapter, means the full amount of the actual sale price of the real property involved, paid or to be paid, including the amount of an encumbrance or lien on the property, ~~whether if assumed or not~~ by the grantee. It is presumed that the sale price so stated includes the value of all personal property transferred as part of the sale unless the dollar value of personal property is stated on the instrument of conveyance. When the dollar value of the personal property included in the sale is so stated, it shall be deducted from the consideration shown on the instrument for the purpose of determining the tax.

Sec. 7. Section 435.22, subsection 5, unnumbered paragraph 1, Code 1995, is amended to read as follows:

A claim for credit for mobile home tax due shall not be paid or allowed unless the claim is actually filed with the county treasurer between January 1 and June 1, both dates inclusive, immediately preceding the fiscal year during which the home taxes are due and, with the exception of a claim filed on behalf of a deceased claimant by the claimant's legal guardian, spouse, or attorney, or by the executor or administrator of the claimant's estate, contains an affidavit of the claimant's intent to occupy the home for six months or more during the fiscal year beginning in the calendar year in which the claim is filed. However, in case of sickness, absence, or other disability of the claimant, or if in the judgment of the county treasurer good cause exists, the county treasurer may extend the time for filing a claim for credit through September 30 of the same calendar year. The county treasurer

shall ~~submit the claim~~ certify to the director of revenue and finance on or before ~~August 1~~ November 15 each year the total dollar amount due for claims allowed.

Sec. 8. Sections 1, 2, 3, 4, and 7 of this Act, being deemed of immediate importance, take effect upon enactment and apply retroactively to January 1, 1996. Sections 3, 4, and 7 of this Act apply to claims filed on or after January 1, 1996.

Approved April 24, 1996

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## CHAPTER 1168

### TUITION AND TEXTBOOK INCOME TAX PROVISIONS

S.F. 2467

**AN ACT** increasing the nonpublic school tax credit and eliminating the nonpublic school tax deduction for amounts paid for tuition and textbooks for nonpublic elementary and secondary schools under the state individual income tax and providing effective and applicability date provisions.

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

Section 1. Section 422.9, subsection 2, paragraph f, Code Supplement 1995, is amended by striking the paragraph.

Sec. 2. Section 422.12, subsection 2, unnumbered paragraph 1, Code Supplement 1995, is amended to read as follows:

~~For those who do not itemize their deductions, a~~ A tuition credit equal to ~~five~~ ten percent of the first one thousand dollars which the taxpayer has paid to others for each dependent in grades kindergarten through twelve, for tuition and textbooks of each dependent in attending an elementary or secondary school situated in Iowa, which school is accredited or approved under section 256.11, which is not operated for profit, and which adheres to the provisions of the federal Civil Rights Act of 1964 and chapter 216. As used in this subsection, "textbooks" means books and other instructional materials and equipment used in elementary and secondary schools in teaching only those subjects legally and commonly taught in public elementary and secondary schools in this state and does not include instructional books and materials used in the teaching of religious tenets, doctrines, or worship, the purpose of which is to inculcate those tenets, doctrines, or worship, and does not include books or materials for extracurricular activities including sporting events, musical or dramatic events, speech activities, driver's education, or programs of a similar nature. Notwithstanding any other provision, all other credits allowed under sections 422.12 and 422.12B shall be deducted before the tuition credit under this subsection. ~~The credit in this subsection does not apply to a taxpayer whose net income, as properly computed for state tax purposes, is forty five thousand dollars or more. In the case where the taxpayer is married, whether filing jointly or separately, the credit does not apply if the combined net income of the taxpayer and spouse is forty five thousand dollars or more. The department, when conducting an audit of a taxpayer's return, shall also audit the tuition tax credit portion of the tax return.~~

Sec. 3. This Act, being deemed of immediate importance, takes effect upon enactment, and applies retroactively to January 1, 1996, for tax years beginning on or after that date.

Approved April 25, 1996