

421.70 Electronic commerce data collection.

1. *Short title.* This section shall be known and may be cited as the "*Electronic Commerce and New Economy Data Collection Act*".

2. *Purpose.* The purpose of this section is to require the department of revenue to begin collecting valid Iowa-specific data concerning the extent of electronic commerce within Iowa, and to expand the number of factors used when projecting estimated net gains or losses in tax revenues from electronic commerce.

3. *Definitions.* As used in this section:

a. "*Electronic commerce*" means business-to-consumer sales conducted via the internet that are subject to taxation levied under chapter 422, division IV,* or chapter 423. Electronic commerce includes, but is not limited to, the sale of tangible and intangible goods.

b. "*Electronic commerce vendor*" means a person engaged in business-to-consumer sales of goods or services.

c. "*Person*" means a natural person or via the internet any other entity subject to retail sales and use taxation under chapter 422, division IV,* or chapter 423.

4. *Annual report.* The department shall collect primary and supplementary data to accurately measure the level of electronic commerce activity within the state. The primary data set shall include, but is not limited to, the number of electronic commerce vendors domiciled within the state, if obtainable; gross retail sales of electronic commerce vendors domiciled within the state; an estimate of the number of in-state electronic commerce transactions conducted by persons within the state boundaries based on accepted standards of scientific sampling; an estimate of the number of out-of-state electronic commerce transactions conducted by persons within the state boundaries based on accepted standards of scientific sampling; an estimate of the total value of electronic commerce transactions conducted by persons within state boundaries during a fiscal year; a reliable estimate of the use tax revenue that is uncollected due to out-of-state electronic commerce; and a reliable estimate of income, property, excise, and other revenues paid to the state and its political subdivisions by electronic commerce vendors. Collection of primary data shall be considered part of the department's normal duties and shall not require an additional budgetary appropriation. The department shall supplement primary data with information supplied by the United States department of commerce, the United States census bureau, the United States small business administration, any other federal agency collecting electronic commerce data, and if obtainable, affiliated state data centers. The department may use information gathered from private, academic, and nongovernmental entities provided that the source and methodology is clearly stated within the text of the report. The department shall not cite, as authoritative sources, studies conducted by private, academic, and nongovernmental entities that are speculative in nature or based on unscientific methods. In addition, the department shall include an analysis of the financial impact increased sales and use tax collection requirements would have on in-state companies engaged in electronic commerce. The data shall be compiled in the form of an annual report to be delivered to the general assembly no later than February 1 of each year.

5. *Repeal.* This section is repealed March 1, 2005.

2002 Acts, ch 1161, §1, 5; 2003 Acts, ch 145, §286

*Chapter 422, division IV, repealed effective July 1, 2004; 2003 Acts, 1st Ex, ch 2, § 151, 205