

**421.24 Reciprocal interstate enforcement.**

1. For the purposes of [this section](#), the terms “tax” and “taxes” include interest and penalties due under any taxing statute, and liability for interest or penalties, or both, due under a taxing statute of another state or a political subdivision of another state, and shall be recognized and enforced by the courts of this state to the same extent that the laws of the other state permit the enforcement of liability for interest or penalties, or both, due under a taxing statute of this state or a political subdivision of this state.

2. a. The director of revenue shall have the authority to enter into an agreement with a department or agency of any other state for the department or agency of the other state to collect delinquent accounts, charges, fees, loans, taxes, or other indebtedness owed to, placed with, or being collected by the central debt collection facility of the department of revenue. The department may retain from the amounts collected a fee established by agreement with the department or agency of the other state.

b. The director of revenue shall have the authority to enter into an agreement with a department or agency of any other state for the centralized debt collection facility to collect delinquent accounts, charges, fees, loans, taxes, or other indebtedness owed to, placed with, or being collected by the other state. The obligations or indebtedness of the other state referred to the facility must be delinquent and not subject to litigation, claim, appeal, or review pursuant to the appropriate remedies of the state. The department may retain from the amounts collected a fee established by agreement with the department or agency of the other state.

c. Upon referral of a delinquent balance from the department or agency of another state pursuant to paragraph “b”, the department shall send written notification to the obligor by regular mail to the obligor’s last known mailing address. The notification shall contain an explanation of the balance owed, the department or agency to which the balance is owed, that the department has entered into an agreement to collect the balance owed, and the obligor’s opportunity to give written notice of intent to contest the department’s right to collect the amount owed.

3. a. Challenges under [this section](#) may be initiated only by an obligor. The department’s review of its right to reciprocal collection is not subject to [chapter 17A](#).

b. The obligor challenging the reciprocal collection shall submit a written challenge in the manner provided in the notice described in [subsection 2](#), paragraph “c”, within fifteen days of the date of the notice.

c. The department, upon receipt of a written challenge, shall provide written notice of the challenge to the referring department or agency. The department shall review the information provided by the referring department or agency and shall obtain additional information if necessary to establish that the liability is delinquent and not subject to appeal, or to verify the identity of the obligor or the amount owed. The department shall set a time to occur within ten days of receipt of the challenge to review the relevant facts of the challenge with the obligor. An alternative time may be set at the request of the obligor. If the obligor does not participate in the review at the scheduled time and an alternative time is not requested and approved, the review shall take place without the obligor being present. Only a determination that the referred liability is not delinquent or is subject to challenge or a mistake of fact, including a mistake in the identity of the obligor, or a mistake in the amount owed, shall be considered as a reason to reject the referred liability.

d. If the department determines that a mistake of fact has occurred or that the liability is not delinquent or is subject to challenge, the department shall reject referral of the liability and shall take no further action to collect the liability.

e. If the department finds no mistake of fact and that the liability is delinquent and not subject to challenge, the department shall deny the challenge and provide a notice of that effect to the obligor and may proceed to collect the balance owed.

4. a. At the request of the director, the attorney general may bring suit in the name of this state in the appropriate court of any other state to collect any tax legally due in this state, and any political subdivision of this state or the appropriate officer, acting in its behalf, may bring

suit in the appropriate court of any other state to collect any tax legally due to such political subdivision.

b. The courts of this state shall recognize and enforce liabilities for taxes lawfully imposed by any other state, or any political subdivision of the other state, which extends a like comity to this state, and the duly authorized officer of any such state or a political subdivision of such state may sue for the collection of such tax in the courts of this state. A certificate by the secretary of state of such other state that an officer suing for the collection of such a tax is duly authorized to collect the same shall be conclusive proof of such authority.

c. The courts of this state shall not enforce interest rates or penalties on taxes of any other state which exceed the interest rates and penalties imposed by the state of Iowa for the same or a similar tax.

5. Thirty days following the mailing of notice pursuant to [subsection 2](#), paragraph “c”, if no written challenge is received, or upon the department providing notice of denial of a challenge pursuant to [subsection 3](#), paragraph “e”, any tax amount referred to the facility under [subsection 2](#) shall be treated as the equivalent of individual income tax that is final, due and payable, and may be collected in any manner authorized under the law for collection of a delinquent tax liability, including but not limited to the recording of a notice of state tax lien or issuance of a distress warrant.

6. The department may release information otherwise confidential under [section 422.20](#) or [422.72](#) to the department or agency of the other state, provided the department or agency of the other state agrees to keep such information confidential as defined by Iowa law. An employee or contractor of the department or agency of the other state shall not be required to complete the confidentiality training or acknowledgment requirements of the department.

[C66, 71, 73, 75, 77, 79, 81, §421.24]

[2013 Acts, ch 30, §85](#); [2022 Acts, ch 1061, §44](#); [2023 Acts, ch 64, §66](#)

Subsection 4, paragraph a amended