

421.5 Settling claims for taxes, penalties, and interest — abatement.

1. As used in [this section](#):

a. “*Department*” means the department of revenue.

b. “*Settle*” or “*settlement*” includes any compromise or abatement of any taxes, penalties, or interest.

2. In addition to the authority granted to the department pursuant to [section 17A.10](#) and notwithstanding [section 7D.9](#), the department may, in its sole discretion, settle any taxes, penalties, or interest.

3. The department may enter into a settlement in the case of doubtful liability, doubtful collectability, severe economic hardship, or to promote effective tax administration, regardless of whether the amount was the subject of a timely filed appeal or return.

4. Whenever a settlement is made, the department shall make a complete record of the case showing the tax assessed or claimed due, tax refund claimed, recommendations, reports, and audits of departmental personnel if any, the taxpayer’s grounds for dispute or contest together with all of the evidence, and the amounts, conditions, and settlement of the same.

5. A taxpayer shall not have the right to a settlement of any tax, penalty, or interest liability under [this section](#). Any determination by the department regarding the settlement shall be discretionary and shall be final and conclusive except in the case of fraud, mutual mistake of material fact, or as otherwise stated in a written settlement agreement between the taxpayer and the department.

6. The department may require an application for relief under [this section](#).

7. The department shall adopt rules to administer [this section](#).

[C71, 73, 75, 77, 79, 81, §421.5]

[94 Acts, ch 1165, §2; 2023 Acts, ch 115, §22, 40](#)

Referred to in [§422.25, 423.37, 453B.14](#)