15J.5 New state tax revenue calculations.

1. *a.* The department shall calculate quarterly the amount of new state sales tax revenues for each district established in the state to be deposited in the state reinvestment district fund created in section 15J.6, pursuant to section 423.2A, subsection 2, subject to remittance limitations established by the board pursuant to section 15J.4, subsection 3.

b. (1) For districts established before July 1, 2020, the amount of new state sales tax revenue for purposes of paragraph *"a"* shall be the product of the amount of sales subject to the state sales tax in the district during the quarter from new retail establishments times four percent.

(2) For districts established on or after July 1, 2020, the amount of new state sales tax revenue for purposes of paragraph *"a"* shall be the product of four percent times the remainder of the amount of sales subject to the state sales tax in the district during the quarter from new retail establishments minus the sum of the sales from the corresponding quarter of the twelve-month period determined under section 15J.4, subsection 4, paragraph *"b"*, subparagraph (1), for new retail establishments identified under section 15J.4, subsection 4, paragraph *"b"*, subparagraph (1), that were in operation at the end of the quarter.

2. *a.* The department shall calculate quarterly the amount of new state hotel and motel tax revenues for each district established in the state to be deposited in the state reinvestment district fund created in section 15J.6, pursuant to section 423A.6, subject to remittance limitations established by the board pursuant to section 15J.4, subsection 3.

b. (1) For districts established before July 1, 2020, the amount of new state hotel and motel tax revenue for purposes of paragraph *"a"* shall be the product of the amount of sales subject to the state hotel and motel tax in the district during the quarter from new lessors times the state hotel and motel tax rate imposed under section 423A.3.

(2) For districts established on or after July 1, 2020, the amount of new state hotel and motel tax revenue for purposes of paragraph *"a"* shall be the product of the state hotel and motel tax rate imposed under section 423A.3 times the remainder of amount of sales subject to the state hotel and motel tax in the district during the quarter from new lessors minus the sum of the sales from the corresponding quarter of the twelve-month period determined under section 15J.4, subsection 4, paragraph *"b"*, subparagraph (2), for new lessors identified under section 15J.4, subsection 4, paragraph *"b"*, subparagraph (2), that were in operation at the end of the quarter.

3. Each municipality that has established a district under this chapter shall assist the department in identifying new retail establishments in the district that are collecting state sales tax and new lessors in the district that are collecting state hotel and motel tax. This process shall be ongoing until the municipality ceases to utilize state sales tax revenue or state hotel and motel tax revenue under this chapter or the district is dissolved.

Referred to in §15J.2, 15J.4, 423.2A, 423A.6