

**701—10.5(421) Improper receipt of credit, refund, exemption, reimbursement, rebate, or other payment or benefit.**

**10.5(1)** *Erroneous application.* A person who makes an erroneous application for refund, credit, exemption, reimbursement, rebate, or other payment or benefit shall be liable for any overpayment received plus interest at the rate in effect under Iowa Code section 421.7(2).

**10.5(2)** *Willfully false or frivolous application.* A person who willfully makes a false or frivolous application or willfully submits any false information, document, or document containing false information in support of an application for refund, credit, exemption, reimbursement, rebate, or other payment or benefit with the intent to evade tax or with the intent to receive a refund, credit, exemption, reimbursement, rebate, or other payment or benefit to which the person is not entitled is guilty of a fraudulent practice and is liable for a penalty equal to 75 percent of the refund, credit, exemption, reimbursement, rebate, or other payment or benefit claimed. This penalty is not subject to waiver.

This rule is intended to implement Iowa Code section 421.27 as amended by 2021 Iowa Acts, Senate File 608.

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