

701—259.9(452A) Application of remittance. All payments are to be first applied to the penalty and then to the interest. The balance, if any, will then be applied to the amount of tax due. If a taxpayer remits a payment on or before the due date, but the payment is insufficient to discharge the tax liability, the entire amount of the payment applies to the tax, and the penalty and interest are based on the unpaid portion of the tax. If the department determines there is additional tax due from a taxpayer, interest and penalty accrue on that amount from the date it should have been reported and paid.

This rule is intended to implement Iowa Code sections 452A.59, 452A.65 and 452A.66.

[ARC 9043C, IAB 3/19/25, effective 4/23/25]