Senate Amendment 3686

Amendment Text

Amend House File 266, as passed by the House, as follows:

#1. By striking everything after the enacting clause and inserting the following:

"Section 1. Section 321.19, subsection 1, unnumbered paragraph 2, Code 1997, is amended to read as follows:

The department shall furnish, on application, free of charge, distinguishing plates for vehicles thus exempted, which plates except plates on Iowa highway safety patrol vehicles shall bear the word "official" and the department shall keep a separate record. Registration plates issued for Iowa highway safety patrol vehicles, except unmarked patrol vehicles, shall bear two red stars on a yellow background, one before and one following the registration number on the plate, which registration number shall be the officer's badge number. Registration plates issued for a county sheriff's patrol vehicles shall display one seven-pointed gold star followed by the letter "S" and the call number of the vehicle. However, the director of general services or the director of transportation may order the issuance of regular registration plates for any exempted vehicle used by peace officers in the enforcement of the law, persons enforcing chapter 124 and other laws relating to controlled substances, persons in the department of justice, the alcoholic beverages division of the department of commerce, ~~and~~ the department of inspections and appeals, and the department of revenue and finance, who are regularly assigned to conduct investigations which cannot reasonably be conducted with a vehicle displaying "official" state registration plates, and persons in the lottery division of the department of revenue and finance whose regularly assigned duties relating to security or the carrying of lottery tickets cannot reasonably be conducted with a vehicle displaying "official" registration plates. For purposes of sale of exempted vehicles, the exempted governmental body, upon the sale of the exempted vehicle, may issue for in-transit purposes a pasteboard card bearing the words "Vehicle in Transit", the name of the official body from which the vehicle was purchased, together with the date of the purchase plainly marked in at least one-inch letters, and other information required by the department. The in-transit card is valid for use only within forty-eight hours after the purchase date as indicated on the bill of sale which shall be carried by the driver.

Sec. 2. Section 331.427, subsection 1, unnumbered paragraph 1, Code 1997, is amended to read as follows:

Except as otherwise provided by state law, county revenues from taxes and other sources for general county services shall be credited to the general fund of the county, including revenues received under sections 101A.3, 101A.7, 123.36, 123.143, 142B.6, 176A.8, 321.105, 321.152, 321G.7, 331.554, subsection 6, 341A.20, 364.3, 368.21, ~~422.65,~~ 422A.2, 428A.8, 430A.3, 433.15, 434.19, 445.57, 453A.35, 458A.21, 483A.12, 533.24, 556B.1, 567.10, 583.6, 602.8108, 904.908, and 906.17, and chapter 405A, and the following:

Sec. 3. NEW SECTION. 405A.10 FRANCHISE TAX REVENUE ALLOCATION.

For the fiscal year beginning July 1, 1997, and each subsequent fiscal year, there is appropriated from the general fund of the state to the department of revenue and finance the sum of eight million eight hundred thousand dollars which shall be paid quarterly on warrants by the director as allocated pursuant to section 422.65.

Sec. 4. Section 421.4, Code 1997, is amended to read as follows:

421.4 DEPUTIES.

The director may appoint deputy directors and may designate one or more of the deputies as acting director. A deputy designated to serve in the absence of the director has all of the powers possessed by the director. The director may employ certified public accountants, engineering and technical assistants, and other employees, or independent contractors necessary to protect the interests of the state and any political subdivision.

Sec. 5. Section 421.17, subsection 21, paragraph b, subparagraph (3), Code 1997, is amended to read as follows:

(3) The child support recovery unit, the foster care recovery unit, and the investigations division of the department of inspections and appeals shall, at least annually, submit to the department of revenue and finance for setoff the debts described in this subsection, ~~which are at least fifty dollars~~ constituting a minimum amount determined by rule of the department of revenue and finance, on a date to be specified by the department of human services and the department of inspections and appeals by rule.

Sec. 6. Section 421.17, Code 1997, is amended by adding the following new subsection:

NEW SUBSECTION. 22A. To develop, modify, or contract with vendors to create or administer systems or programs which identify nonfilers of returns or nonpayers of taxes administered by the department. Fees for services, reimbursements, or other remuneration paid under contract may be funded from the amount of tax, penalty, interest, or fees actually collected and shall be paid only after the amount is collected. An amount is appropriated from the amount of tax, penalty, interest, and fees actually collected, not to exceed the amount collected, which are sufficient to pay for services, reimbursement, or other remuneration pursuant to this subsection. Vendors entering into a contract with the department pursuant to this subsection are subject to the requirements and penalties of the confidentiality laws of this state regarding tax information.

Sec. 7. Section 421.17, subsection 23, paragraphs c, d, and g, Code 1997, are amended to read as follows:

c. The college student aid commission shall, at least annually, submit to the department of revenue and finance for setoff the guaranteed student loan defaults, ~~which are at least fifty dollars~~ constituting a minimum amount set by rule of the department of revenue and finance, on a date or dates to be specified by the college student aid commission by rule.

d. Upon submission of a claim, the department of revenue and finance shall notify the college student aid commission whether the defaulter is entitled to a refund or rebate of ~~at least fifty dollars~~ the minimum amount set by rule of the department and if so entitled shall notify the commission of the amount of the refund or rebate and of the defaulter's address on the income tax return. Section 422.72, subsection 1, does not apply to this paragraph.

g. The department of revenue and finance shall, after notice has been sent to the defaulter by the college student aid commission, set off the amount of the default against the defaulter's income tax refund or rebate ~~if both the amount of the default and the refund or rebate are at least fifty dollars~~ constituting a minimum amount set by rule of the department. The department shall refund any balance of the income tax refund or rebate to the defaulter. The department of revenue and finance shall periodically transfer the amount set off to the college student aid commission. If the defaulter gives written notice of intent to contest the claim, the commission shall hold the refund or rebate until final disposition of the contested claim pursuant to chapter 17A or by court judgment. The commission shall notify the defaulter in writing upon completion of setoff.

Sec. 8. Section 421.17, subsection 25, paragraph c, Code 1997, is amended to read as follows:

c. The clerk of the district court, on the first day of February and August of each calendar year, shall submit to the department for setoff the debts described in this subsection, ~~which are at least fifty dollars~~ constituting a minimum amount set by rule of the department.

Sec. 9. Section 421.17, subsection 29, paragraphs a and e, Code 1997, are amended to read as follows:

a. For purposes of this subsection unless the context requires otherwise:

(1) "State agency" means a board, commission, department, including the department of revenue and finance, or other administrative office or unit of the state of Iowa or any other state entity reported in the Iowa comprehensive annual financial report. The term "state agency" does not include the general assembly, the governor, or any political subdivision of the state, or its offices and units.

(2) "Department" means the department of revenue and finance and any other state agency that maintains a separate accounting system and elects to establish a debt collection setoff procedure for collection of debts owed to the state or its agencies.

(3) The term "person" does not include a state agency.

e. Before setoff, the amount of a person's claim on a state agency and the amount of a person's liability to a state agency shall ~~be at least fifty~~ ~~dollars~~ constitute a minimum amount set by rule of the department.

Sec. 10. NEW SECTION. 421.61 UNCONSTITUTIONALLY WITHHELD TAX BENEFITS.

If a provision in the Code grants a tax benefit to taxpayers that is unconstitutionally withheld from other taxpayers as expressed in an Iowa attorney general's opinion based upon decisions of the Iowa supreme court, United States supreme court, or other courts of competent jurisdiction, the tax benefit shall also be granted to the adversely affected taxpayers as if the unconstitutional provision did not exist.

Sec. 11. Section 422.5, subsection 1, paragraph j, subparagraph (2), unnumbered paragraph 1, Code 1997, is amended to read as follows:

The tax imposed upon the taxable income of a resident shareholder in a value-added corporation which has in effect for the tax year an election under subchapter S of the Internal Revenue Code and carries on business within and without the state may be computed by reducing the amount determined pursuant to paragraphs "a" through "i" by the amounts of nonrefundable credits under this division and by multiplying this resulting amount by a fraction of which the resident's net income allocated to Iowa, as determined in section 422.8, subsection 2, paragraph "b", is the numerator and the resident's total net income computed under section 422.7 is the denominator. If a resident shareholder has elected to take advantage of this subparagraph, and for the next tax year elects not to take advantage of this subparagraph, the resident shareholder shall not reelect to take advantage of this subparagraph for the three tax years immediately following the first tax year for which the shareholder elected not to take advantage of this subparagraph, unless the director consents to the reelection. This ~~paragraph~~

subparagraph also applies to individuals who are residents of Iowa for less than the entire tax year.

Sec. 12. Section 422.20, subsection 3, unnumbered paragraph 1, Code 1997, is amended to read as follows:

Unless otherwise expressly permitted by section 421.17, subsections 21, 22, 22A, 23, 25, 29, and 32, sections 252B.9, 421.19, 421.28, 422.72, and 452A.63, and this section, a tax return, return information, or investigative or audit information shall not be divulged to any person or entity, other than the taxpayer, the department, or internal revenue service for use in a matter unrelated to tax administration.

Sec. 13. Section 422.32, subsection 4, Code 1997, is amended to read as follows:

4. "Corporation" includes joint stock companies, and associations organized for pecuniary profit, and ~~publicly traded~~ partnerships and limited liability companies taxed as corporations under the Internal Revenue Code.

Sec. 14. Section 422.43, Code 1997, is amended by adding the following new subsection:

NEW SUBSECTION. 12. A tax of five percent is imposed upon the gross receipts from the sales of prepaid telephone calling cards and prepaid authorization numbers. For the purpose of this division, the sales of prepaid telephone calling cards and prepaid authorization numbers are sales of tangible personal property.

Sec. 15. Section 422.45, subsection 7, unnumbered paragraph 1, Code 1997, is amended to read as follows:

A private nonprofit educational institution in this state, nonprofit private museum in this state, tax-certifying or tax-levying body or governmental subdivision of the state, including the state board of regents, state department of human services, state department of transportation, a municipally owned solid waste facility which sells all or part of its processed waste as fuel to a municipally owned public utility, and all divisions, boards, commissions, agencies, or instrumentalities of state, federal, county, or municipal government which do not have earnings going to the benefit of an equity investor or stockholder, may make application to the department for the refund of the sales, services, or use tax upon the gross receipts of all sales of goods, wares, or merchandise, or from services rendered, furnished, or performed, to a contractor, used in the fulfillment of a written contract with the state of Iowa, any political subdivision of the state, or a division, board, commission, agency, or instrumentality of the state or a political subdivision, a private nonprofit educational institution in this state, or a nonprofit private museum in this state if the property becomes an integral part of the project under contract and at the completion of the project becomes public property, is devoted to educational uses, or becomes a nonprofit private museum; except goods, wares, or merchandise, or services rendered, furnished, or performed used in the performance of any contract in connection with the operation of any municipal utility engaged in selling gas, electricity, or heat to the general public or in connection with the operation of a municipal pay television system; and except goods, wares, and merchandise used in the performance of a contract for a "project" under chapter 419 as defined in that chapter other than goods, wares, or merchandise used in the performance of a contract for a "project" under chapter 419 for which a bond issue was approved by a municipality prior to July 1, 1968, or for which the goods, wares, or merchandise becomes an integral part of the project under contract and at the completion of the project becomes public property or is devoted to educational uses.

Sec. 16. Section 422.45, subsection 18, Code 1997, is amended to read as follows:

18. Gross receipts from the sale of tangible personal property, except vehicles subject to registration, to a person regularly engaged in the business of leasing if the period of the lease is for more than ~~one year~~ five months, or in the consumer rental purchase business if the property is to be utilized in a transaction involving a consumer rental purchase agreement as defined in section 537.3604, subsection 8, and the leasing or consumer rental of the property is subject to taxation under this division. If tangible personal property exempt under this subsection is made use of for any purpose other than leasing, renting, or consumer rental purchase, the person claiming the exemption under this subsection is liable for the tax that would have been due except for this subsection. The tax shall be computed upon the original purchase price. The aggregate of the tax paid on the leasing, renting, or rental purchase of such tangible personal property, not to exceed the amount of the sales tax owed, shall be credited against the tax. This sales tax is in addition to any sales or use tax that may be imposed as a result of the disposal of such tangible personal property.

Sec. 17. Section 422.45, Code 1997, is amended by adding the following new subsection:

NEW SUBSECTION. 52. The gross receipts from charges for access to or use of internet computer services and from charges for access to or use of other contracted on-line computer services if access or use is by way of a local or in-state long distance telephone number and if the predominate on-line computer service offered is two-way transmission and receipt of information from one site to another.

This subsection is repealed July 1, 1998.

Sec. 18. Section 422.53, Code 1997, is amended by adding the following new subsection:

NEW SUBSECTION. 8. a. Except as provided in paragraph "b", purchasers, users, and consumers of tangible personal property or enumerated services taxed pursuant to this division, chapter 423, or chapter 422B, may be authorized, pursuant to rules adopted by the director, to remit tax owed directly to the department instead of the tax being collected and paid by the seller. To qualify for a direct pay tax permit, the purchaser, user, or consumer must accrue a tax liability of more than four thousand dollars in tax under this division and chapter 423, in a semimonthly period and make deposits and file returns pursuant to section 422.52. This authority shall not be granted or exercised except upon application to the director and then only after issuance by the director of a direct pay tax permit.

b. The granting of a direct pay tax permit is not authorized for any of the following:

(1) Taxes imposed on the sales, furnishing, or service of gas, electricity, water, heat, pay television service, and communication service.

(2) Taxes imposed under sections 423.7 and 423.7A and chapter 422C.

Sec. 19. Section 422.65, Code 1997, is amended to read as follows:

422.65 ALLOCATION OF REVENUE.

All moneys received from the franchise tax shall be deposited in the state general fund. ~~Commencing with the fiscal year beginning July 1, 1993, there is appropriated for each fiscal year from the franchise tax money received and deposited in the state general fund the sum of eight million eight hundred thousand dollars which shall be paid quarterly on warrants by the director, after certification by the director,~~ Franchise tax moneys appropriated in section 405A.10 are allocated as follows:

1. Sixty percent to the general fund of the city from which the tax is collected.

2. Forty percent to the county from which the tax is collected.

If the financial institution maintains one or more offices for the transaction of business, other than its principal office, a portion of its franchise tax shall be allocated to each office, based upon a reasonable measure of the business activity of each office. The director shall prescribe, for each type of financial institution, a method of measuring the business activity of each office. Financial institutions shall furnish all necessary information for this purpose at the request of the director. ~~Quarterly, the director shall certify to the treasurer of state the amounts to be paid to each city and county from the state general fund. All moneys~~

~~received from the franchise tax are appropriated according to the provisions of this section.~~

Sec. 20. Section 422.72, subsection 3, unnumbered paragraph 1, Code 1997, is amended to read as follows:

Unless otherwise expressly permitted by section 421.17, subsections 21, 22, 22A, 23, 25, 29, and 32, sections 252B.9, 421.19, 421.28, 422.20, and 452A.63~~,~~ and this section, a tax return, return information, or investigative or audit information shall not be divulged to any person or entity, other than the taxpayer, the department, or internal revenue service for use in a matter unrelated to tax administration.

Sec. 21. Section 422.72, Code 1997, is amended by adding the following new subsection:

NEW SUBSECTION. 7. Notwithstanding subsection 3, the director shall provide state tax returns and return information in response to a subpoena issued by the court pursuant to rule of criminal procedure 5 commanding the appearance before the attorney general or an assistant attorney general if the subpoena is accompanied by affidavits from such person and from a sworn peace officer member of the department of public safety affirming that the information is necessary for the investigation of a felony violation of chapter 124 or chapter 706B. The affidavits accompanying the subpoenas and the information provided by the director shall remain a confidential record which may be disseminated only to a prosecutor or peace officer involved in the investigation, or to the taxpayer who filed the information and to the court in connection with the filing of criminal charges or institution of a forfeiture action. A person who knowingly files a false affidavit with the director to secure information or who divulges information received under this subsection in a manner prohibited by this subsection commits a serious misdemeanor.

Sec. 22. Section 423.1, subsection 8, Code 1997, is amended to read as follows:

8. "Retailer maintaining a place of business in this state" or any like term includes any retailer having or maintaining within this state, directly or by a subsidiary, an office, distribution house, sales house, warehouse, or other place of business, or any ~~agent~~ representative operating within this state under the authority of the retailer or its subsidiary, irrespective of whether ~~such~~ that place of business or ~~agent~~ representative is located here permanently or temporarily, or whether the retailer or subsidiary is admitted to do business within this state pursuant to chapter 490.

Sec. 23. Section 423.25, Code 1997, is amended to read as follows:

423.25 TAXATION IN ANOTHER STATE.

If any person who causes tangible personal property to be brought into this state or who uses in this state services enumerated in section 422.43 has already paid a tax in another state in respect to the sale or use of the property or the performance of the service, or an occupation tax in respect to the property or service, in an amount less than the tax imposed by this title, the provisions of this title shall apply, but at a rate measured by the difference only between the rate fixed in this title and the rate by which the previous tax on the sale or use, or the occupation tax, was computed. If the tax imposed and paid in the other state is equal to or more than the tax imposed by this title, then a tax is not due in this state on the personal property or service.

Sec. 24. Section 425.7, subsection 3, Code 1997, is amended to read as follows:

3. If the director of revenue and finance determines that a claim for homestead credit has been allowed by the board of supervisors which is not justifiable under the law and not substantiated by proper facts, the director may, at any time within thirty-six months from July 1 of the year in which the claim is allowed, set aside the allowance. Notice of the disallowance shall be given to the county auditor of the county in which the claim has been improperly granted and a written notice of the disallowance shall also be addressed to the claimant at the claimant's last known address. The claimant or board of supervisors may appeal to the state board of tax review pursuant to section 421.1, subsection 4. The claimant or the board of supervisors may seek judicial review of the action of the ~~director of revenue and finance~~ state board of tax review in accordance with ~~the Iowa administrative procedure Act~~ chapter 17A.

If a claim is disallowed by the director of revenue and finance and not appealed to the state board of tax review or appealed to and upheld by the state board of tax review and a petition for judicial review is not filed with respect to the disallowance, any amounts of credits allowed and paid from the homestead credit fund including the penalty, if any, become a lien upon the property on which credit was originally granted, if still in the hands of the claimant, and not in the hands of a bona fide purchaser, and any amount so erroneously paid including the penalty, if any, shall be collected by the county treasurer in the same manner as other taxes and the collections shall be returned to the department of revenue and finance and credited to the homestead credit fund. The director of revenue and finance may institute legal proceedings against a homestead credit claimant for the collection of payments made on disallowed credits and the penalty, if any. If a homestead credit is disallowed and the claimant failed to give written notice to the assessor as required by section 425.2 when the property ceased to be used as a homestead by the claimant, a civil penalty equal to fifty percent of the amount of the disallowed credit is assessed against the claimant.

Sec. 25. Section 426A.6, Code 1997, is amended to read as follows:

426A.6 SETTING ASIDE ALLOWANCE.

If the director of revenue and finance determines that a claim for military service tax exemption has been allowed by a board of supervisors which is not justifiable under the law and not substantiated by proper facts, the director may, at any time within thirty-six months from July 1 of the year in which the claim is allowed, set aside the allowance. Notice of the disallowance shall be given to the county auditor of the county in which the claim has been improperly granted and a written notice of the disallowance shall also be addressed to the claimant at the claimant's last known address. The claimant or the board of supervisors may appeal to the state board of tax review pursuant to section 421.1, subsection 4. The claimant or the board of supervisors may seek judicial review of the action of the ~~director of revenue and finance~~ state board of tax review in accordance with chapter 17A. If a claim is disallowed by the director of revenue and finance and not appealed to the state board of tax review or appealed to and upheld by the state board of tax review and a petition for judicial review is not filed with respect to the disallowance, the credits allowed and paid from the general fund of the state become a lien upon the property on which the credit was originally granted, if still in the hands of the claimant and not in the hands of a bona fide purchaser, the amount so erroneously paid shall be collected by the county treasurer in the same manner as other taxes, and the collections shall be returned to the department of revenue and finance and credited to the general fund of the state. The director of revenue and finance may institute legal proceedings against a military service tax exemption claimant for the collection of payments made on disallowed exemptions.

Sec. 26. Section 426B.1, subsection 1, Code 1997, is amended to read as follows:

1. A property tax relief fund is created in the state treasury under the authority of the department of ~~revenue and finance~~ human services. The fund shall be separate from the general fund of the state and shall not be considered part of the general fund of the state except in determining the cash position of the state for payment of state obligations. The moneys in the fund are not subject to the provisions of section 8.33 and shall not be transferred, used, obligated, appropriated, or otherwise encumbered except as provided in this chapter. Moneys in the fund may be used for cash flow purposes, provided that any moneys so allocated are returned to the fund by the end of each fiscal year. However, the fund shall be considered a special account for the purposes of

section 8.53, relating to elimination of any GAAP deficit. For the purposes of this chapter, unless the context otherwise requires, "property tax relief fund" means the property tax relief fund created in this section.

Sec. 27. Section 426B.4, Code 1997, is amended to read as follows:

426B.4 RULES.

The council on human services shall consult with the state-county management committee created in section 331.438 and the director of ~~revenue and~~ ~~finance~~ human services in prescribing forms and adopting rules pursuant to chapter 17A to administer this chapter.

Sec. 28. Section 427.1, subsection 16, Code 1997, is amended to read as follows:

16. REVOKING EXEMPTION. Any taxpayer or any taxing district may make application to the director of revenue and finance for revocation for any exemption, based upon alleged violations of this chapter. The director of revenue and finance may also on the director's own motion set aside any exemption which has been granted upon property for which exemption is claimed under this chapter. The director of revenue and finance shall give notice by mail to the taxpayer or taxing district applicant and to the societies or organizations claiming an exemption upon property, exemption of which is questioned before or by the director of revenue and finance~~,~~ and shall hold a hearing prior to issuing any order for revocation. An order made by the director of revenue and finance revoking or modifying an exemption is subject to judicial review in accordance with chapter 17A, the Iowa administrative procedure Act. Notwithstanding the terms of that Act, petitions for judicial review may be filed in the district court having jurisdiction in the county in which the property is located, and must be filed within thirty days after any order revoking an exemption is made by the director of revenue and finance.

Sec. 29. Section 427B.19, subsection 3, unnumbered paragraph 1, Code 1997, is amended to read as follows:

On or before ~~July 1, 1996, and on or before July~~ September 1 of each ~~succeeding~~ fiscal year through June 30, 2006, the county auditor shall prepare a statement, based upon the report received pursuant to subsections 1 and 2, listing for each taxing district in the county:

Sec. 30. Section 427B.19, subsection 4, Code 1997, is amended to read as follows:

4. The county auditor shall certify and forward one copy of the statement to the department of revenue

and finance not later than ~~July~~ September 1 of each year.

Sec. 31. Section 427B.19A, subsection 2, Code 1997, is amended to read as follows:

2. If an amount appropriated for a fiscal year is insufficient to pay all claims, the director shall prorate the disbursements from the fund to the county treasurers and shall notify the county auditors of the pro rata percentage on or before ~~August 1~~ September 30.

Sec. 32. Section 428.4, unnumbered paragraph 3, Code 1997, is amended to read as follows:

Any buildings erected, improvements made, or buildings or improvements removed in a year after the assessment of the class of real estate to which they belong, shall be valued, listed, and assessed and reported by the assessor to the county auditor after approval of the valuations by the local board of review, and ~~said~~ the auditor shall thereupon enter the taxable value of such building or taxable improvement on the tax list as a part of real estate to be taxed. If such buildings or improvements are erected or made by any person other than the owner of the land, they shall be listed and assessed to the owner of the buildings or improvements as real estate.

Sec. 33. Section 440.1, Code 1997, is amended to read as follows:

440.1 ASSESSMENT OF OMITTED PROPERTY.

When the director of revenue and finance is vested with the power and duty to assess property and ~~said~~ an assessment has, for any reason, been omitted, the director shall proceed to assess ~~said~~ the property for each of the omitted years ~~, not exceeding five years~~ ~~last past~~. The omitted assessment shall only apply to the assessment year in which the omitted assessment is made and the four prior assessment years. Chapter 429 shall apply to assessments of omitted property.

Sec. 34. Section 441.8, unnumbered paragraphs 6 and 7, Code 1997, are amended to read as follows:

Upon receiving credit equal to one hundred fifty hours of classroom instruction during the assessor's current term of office of which at least ninety of the one hundred fifty hours are from courses requiring an examination upon conclusion of the course, the director of revenue and finance shall certify to the assessor's conference board that the assessor is eligible to be reappointed to the position. For ~~assessors whose present terms of office expire before six years from January 1, 1979, or who are~~ persons appointed to complete an unexpired term, the number of credits required to be certified as eligible for reappointment shall be prorated according to the amount of time remaining in the present term of the assessor. If the person was an assessor in another jurisdiction, the assessor may carry forward any credit hours received in the previous position in excess of the number that would be necessary to be considered current in that position.

Within each six-year period following ~~January 1, 1980 or~~ the appointment of a deputy assessor ~~appointed after January 1, 1979~~, the deputy assessor shall comply with this section except that upon the successful completion of ninety hours of classroom instruction of which at least sixty of the ninety hours are from courses requiring an examination upon conclusion of the course, the deputy assessor shall be certified by the director of revenue and finance as being eligible to remain in the position. If a deputy assessor fails to comply with this section, the deputy assessor shall be removed from the position until successful completion of the required hours of credit. If a deputy is appointed to the office of assessor, the hours of credit obtained as deputy pursuant to this section shall be credited to that individual as assessor and for the individual to be reappointed at the expiration of the term as assessor, that individual must obtain the credits which are necessary to total the number of hours for reappointment.

Sec. 35. Section 441.11, Code 1997, is amended to read as follows:

441.11 INCUMBENT DEPUTY ASSESSORS.

The director of revenue and finance shall grant a restricted certificate to any deputy assessor holding office as of January 1, 1976. A deputy assessor possessing such a certificate shall be considered eligible to remain in the deputy's present position provided continuing education requirements are met. To become eligible for another deputy assessor position, a deputy assessor presently holding office is required to obtain certification as provided for in section 441.5 and 441.10. The number of credit hours required for certification as eligible for appointment as a deputy in a jurisdiction other than where the deputy is currently serving shall be prorated according to the completed portion of the deputy's six-year continuing education period.

Sec. 36. Section 444.26, Code 1997, is amended to read as follows:

444.26 PROPERTY TAX LEVY LIMITATIONS NOT AFFECTED.

Sections ~~444.25,~~ 444.25A ~~,~~ and 444.25B shall not be construed as removing or otherwise affecting the property tax limitations otherwise provided by law for any tax levy of the political subdivision, except that, upon an appeal from the political subdivision, the state appeal board may approve a tax levy consistent with the provisions of section 24.48 or 331.426.

Sec. 37. Section 444.27, subsection 1, Code 1997, is amended to read as follows:

1. ~~For purposes of section 444.25, sections 24.48 and 331.426 are void for the fiscal years beginning July 1, 1993, and July 1, 1994.~~ For purposes of section 444.25A, sections 24.48 and 331.426 are void for the fiscal years beginning July 1, 1995, and July 1, 1996.

Sec. 38. Section 445.32, Code 1997, is amended to read as follows:

445.32 LIENS ON BUILDINGS OR IMPROVEMENTS.

If a building or improvement is erected or made by a person other than the owner of the land on which the building or improvement is located, as provided for in section 428.4, the taxes on the building or improvement are and remain a lien on the building or improvement from the date of levy until paid. If the taxes on the building or improvement become delinquent, as provided in section 445.37, the county treasurer shall collect the tax as provided in sections 445.3 and 445.4. This section does not apply to special assessments, or rates or charges.

Sec. 39. Section 452A.65, unnumbered paragraph 1, Code 1997, is amended to read as follows:

In addition to the tax or additional tax, the taxpayer shall pay a penalty as provided in section 421.27. The taxpayer shall also pay interest on the tax or additional tax at the rate in effect under section 421.7 counting each fraction of a month as an entire month, computed from the date the return was required to be filed. If the amount of the tax as determined by the appropriate state agency is less than the amount paid, the excess shall be refunded with interest, the interest to begin to accrue on the first day of the ~~third~~ second calendar month following the date of payment or the date the return was due to be filed or was filed, whichever is the latest, at the rate in effect under section 421.7 counting each fraction of a month as an entire month under the rules prescribed by the appropriate state agency. ~~In lieu of a refund allowed under this section, the licensee may request that the department allow the refund to be held as a credit for the licensee.~~ Claims for refund filed under sections 452A.17 and 452A.21 shall accrue interest beginning with the first day of the second calendar month following the date the refund claim is received by the department.

Sec. 40. Section 99D.14, subsection 6, Code 1997, as amended by 1997 Iowa Acts, House File 212, section 2, is amended to read as follows:

6. Real property used in the operation of a racetrack or racetrack enclosure which is exempt from property taxation under another provision of the law, including being exempt because it is owned by a city, county, state, or charitable or nonprofit entity, may be subject to real property taxation by any taxing district in which the real property used in the operation of the racetrack or racetrack enclosure is located. To subject such real property to taxation, the taxing authority of the taxing district shall pass a resolution imposing the tax and, if the resolution is passed prior to September 1, 1997, shall notify the ~~county~~ local assessor ~~, director of revenue and finance,~~ and the owner of record of the real property by September 1, 1997, preceding the fiscal year in which the real property taxes are due and payable. The assessed value shall be determined and notice of the assessed value shall be provided to the county auditor by the ~~department of revenue and finance~~ local assessor by October 15, 1997, and the owner may protest the assessed value to the ~~state~~ local board of ~~tax~~ review by December 1, 1997. For resolutions passed on or after September 1, 1997, the taxing authority shall notify the local assessor and owner of

record prior to the next assessment year and the valuation and appeal shall be done in the manner and time as for other valuations. Property taxes due as a result of this subsection shall be paid to the county treasurer in the manner and time as other property taxes. The county treasurer shall remit the tax revenue to those taxing authorities imposing the property tax under this subsection. Real property subject to tax as provided in this subsection shall continue to be taxed until such time as the taxing authority of the taxing district repeals the resolution subjecting the property to taxation. ~~Notwithstanding section 99D.7, the department of revenue and finance shall adopt rules to implement this subsection.~~

Sec. 41. Sections 236.15A, 427A.13, 440.2, 440.3, 440.4, 444.25, and 444.28, Code 1997, are repealed.

Sec. 42. Sections 11 and 13 of this Act which amend sections 422.5 and 422.32 apply retroactively to January 1, 1997, for tax years beginning on or after that date.

Sec. 43. Section 16 of this Act, amending section 422.45, subsection 18, being deemed of immediate importance, takes effect upon enactment.

Sec. 44. Sections 6, 12, and 20 of this Act, enacting section 421.17, subsection 22A and amending section 422.20 and section 422.72, subsection 3, and relating to contractual agreements by the department of revenue and finance, being deemed of immediate importance, take effect upon enactment.

Sec. 45. Section 17 of this Act, enacting section 422.45, subsection 52, being deemed of immediate importance, takes effect upon enactment.

Sec. 46. Section 18 of this Act, enacting section 422.53, subsection 8, takes effect January 1, 1998."

#2. Title page , by striking lines 1 through 7 and inserting the following: "An Act relating to the administration of state individual income, corporate, franchise, motor fuel, and other taxes; collection of taxes and use of collection receipts; property taxes; property tax credits and replacement claims; sales, services, and use taxes and the imposition thereof on sales of prepaid telephone calling cards and prepaid authorization numbers; tax refund setoffs; and other duties of the department and director of revenue and finance; providing a penalty; and including effective and retroactive applicability date provisions."

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COMMITTEE ON WAYS AND MEANS

JoANN DOUGLAS, Chairperson

HF 266.504 77

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