

House Amendment 1575

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1 1 Amend Senate File 413, as passed by the Senate, as
1 2 follows:

1 3 #1. Page 26, by inserting after line 5 the
1 4 following:

1 5 <DIVISION ____
1 6 TAX POLICY AND ADMINISTRATION

1 7 Sec. ____ Section 421.17, subsection 12, Code
1 8 2005, is amended to read as follows:

1 9 12. To make ~~a summary~~ an annual report of the tax
1 10 situation in the state, setting out the amount of
1 11 moneys raised by both direct and indirect taxation;
1 12 and also to formulate and recommend legislation for
1 13 the better administration of the fiscal laws so as to
1 14 secure just and equal taxation. To recommend such
1 15 additions to and changes in the present system of
1 16 taxation that in the director's judgment are for the
1 17 best interest of the state and will eliminate the
1 18 necessity of any levy for state purposes. In
1 19 compiling the annual report, state agencies shall
1 20 assist the department and the department shall provide
1 21 the revenues from, but not limited to, all of the
1 22 following sources:

1 23 a. Income tax.
1 24 b. Sales tax.
1 25 c. Property tax, by category.
1 26 d. School income tax.
1 27 e. Local option sales taxes.
1 28 f. Transfers-in from federal government agencies.
1 29 g. Fees and other dollars paid to state government
1 30 agencies.

1 31 Sec. ____ Section 422.9, subsection 1, Code 2005,
1 32 is amended to read as follows:

1 33 1. An optional standard deduction, after deduction
1 34 of federal income tax, equal to one thousand two
1 35 hundred thirty dollars for a married person who files
1 36 separately or a single person or equal to three
1 37 thousand thirty dollars for a husband and wife who
1 38 file a joint return, a surviving spouse, or an
1 39 unmarried head of household. The optional standard
1 40 deduction shall not exceed the amount remaining after
1 41 deduction of the federal income tax. The amount of
1 42 federal income tax deducted shall be computed as
1 43 provided in subsection 2, paragraph "b".

1 44 Sec. ____ Section 422.9, subsection 2, paragraph
1 45 b, Code 2005, is amended to read as follows:

1 46 b. Add the amount of federal income taxes paid or
1 47 accrued, as the case may be, during the tax year,
1 48 ~~adjusted by and subtract~~ any federal income tax
1 49 refunds received during the tax year. Provided,
1 50 ~~however, that where~~ Where married persons, who have
2 1 filed a joint federal income tax return, file
2 2 separately, such total shall be divided between them
2 3 according to the portion ~~thereof of the total~~ paid or
2 4 accrued, as the case may be, by each. Federal income
2 5 taxes paid for a tax year in which an Iowa return was
2 6 not required to be filed shall not be added and
2 7 federal income tax refunds received from a tax year in
2 8 which an Iowa return was not required to be filed
2 9 shall not be subtracted.

2 10 Sec. ____ Section 422.9, subsection 2, paragraphs
2 11 g and h, Code 2005, are amended by striking the
2 12 paragraphs.

2 13 Sec. ____ Section 422.16, subsection 2, unnumbered
2 14 paragraph 1, Code 2005, is amended to read as follows:

2 15 A withholding agent required to deduct and withhold
2 16 tax under subsections 1 and 12, ~~except those required~~
2 17 ~~to deposit on a semimonthly basis, shall deposit for~~
2 18 ~~each calendar quarterly period, shall file a return~~
2 19 ~~and remit to the department the amount of tax on or~~
2 20 ~~before the last day of the month following the close~~
2 21 ~~of the quarterly period, on a quarterly deposit form~~
2 22 ~~as on forms prescribed by the director and shall pay~~
2 23 ~~to the department, in the form of remittances made~~
2 24 ~~payable to "Treasurer, State of Iowa", the tax~~

2 25 required to be withheld, or the tax actually withheld,
2 26 ~~whichever is greater, under subsections 1 and 12.~~
2 27 However, a withholding agent who withholds more than
2 28 ~~fifty five hundred dollars in any one month, except~~
2 29 ~~those required to deposit on a semimonthly basis, and~~
2 30 ~~not more than five thousand dollars in a semimonthly~~
2 31 ~~period shall deposit with the department the amount~~
2 32 ~~withheld, with a monthly deposit form as prescribed by~~
2 33 ~~the director. The monthly deposit form is due on or~~
2 34 ~~before the fifteenth day of the month following the~~
2 35 ~~month of withholding, except that a deposit is not~~
2 36 ~~required for the amount withheld in the third month of~~
2 37 ~~the calendar quarter but the total amount of~~
2 38 ~~withholding for the quarter shall be computed and the~~
2 39 ~~amount by which the deposits for that quarter fail to~~
2 40 ~~equal the total quarterly liability is due with the~~
2 41 ~~filing of the quarterly deposit form. The quarterly~~
2 42 ~~deposit form is due within the month following the end~~
2 43 ~~of the quarter. A The total quarterly amount, less~~
2 44 ~~the amounts deposited for the first two months of the~~
2 45 ~~quarter, is due with the quarterly return due on or~~
2 46 ~~before the last day of the month following the close~~
2 47 ~~of the quarterly period on forms prescribed by the~~
2 48 ~~director. However, a withholding agent who withholds~~
2 49 ~~more than eight five thousand dollars in a semimonthly~~
2 50 ~~period shall deposit with the department the amount~~
3 1 withheld, with a semimonthly deposit form as
3 2 prescribed by the director. The first semimonthly
3 3 deposit form for the period from the first of the
3 4 month through the fifteenth of the month is due on the
3 5 twenty=fifth day of the month in which the withholding
3 6 occurs. The second semimonthly deposit form for the
3 7 period from the sixteenth of the month through the end
3 8 of the month is due on the tenth day of the month
3 9 following the month in which the withholding occurs.
3 10 A withholding agent must also file a quarterly return
3 11 which reconciles the amount of tax withheld for the
3 12 quarter with the amount of semimonthly deposits. The
3 13 quarterly return is due on or before the last day of
3 14 the month following the close of the quarterly period
3 15 on forms prescribed by the director.

3 16 Sec. ____ Section 422.35, subsection 15, Code
3 17 2005, is amended by striking the subsection.

3 18 Sec. ____ Section 423.1, subsection 50, Code 2005,
3 19 is amended to read as follows:

3 20 50. "Services" means all acts or services
3 21 rendered, furnished, or performed, other than services
3 22 used in processing of tangible personal property for
3 23 use in retail sales or services, for an employer,~~as~~
3 24 ~~defined in section 422.4, subsection 3, who pays the~~
3 25 wages of an employee for a valuable consideration by
3 26 any person engaged in any business or occupation
3 27 specifically enumerated in section 423.2. The tax
3 28 shall be due and collectible when the service is
3 29 rendered, furnished, or performed for the ultimate
3 30 user of the service.

3 31 Sec. ____ Section 423.2, Code 2005, is amended by
3 32 adding the following new subsection:

3 33 NEW SUBSECTION. 9A. Any person or that person's
3 34 affiliate, which is a retailer in this state or a
3 35 retailer maintaining a business in this state under
3 36 this chapter, that enters into a contract with an
3 37 agency of this state must register, collect, and remit
3 38 Iowa sales tax under this chapter on all sales of
3 39 tangible personal property and enumerated services.
3 40 Every bid submitted and each contract executed by a
3 41 state agency shall contain a certification by the
3 42 bidder or contractor stating that the bidder or
3 43 contractor is registered with the department and will
3 44 collect and remit Iowa sales tax due under this
3 45 chapter. In the certification, the bidder or
3 46 contractor shall also acknowledge that the state
3 47 agency may declare the contract or bid void if the
3 48 certification is false. Fraudulent certification, by
3 49 act or omission, may result in the state agency or its
3 50 representative filing for damages for breach of
4 1 contract.

4 2 For the purposes of this subsection, the following
4 3 definitions apply:

4 4 a. "Affiliate" means any entity to which any of
4 5 the following applies:

4 6 (1) Directly, indirectly, or constructively
4 7 controls another entity.
4 8 (2) Is directly, indirectly, or constructively
4 9 controlled by another entity.
4 10 (3) Is subject to the control of a common entity.
4 11 A common entity is one which owns directly or
4 12 individually more than ten percent of the voting
4 13 securities of the entity.
4 14 b. "State agency" means an authority, board,
4 15 commission, department, instrumentality, or other
4 16 administrative office or unit of this state, or any
4 17 other state entity reported in the Iowa comprehensive
4 18 annual financial report, including public institutions
4 19 of higher education.
4 20 c. "Voting security" means a security to which any
4 21 of the following applies:
4 22 (1) Confers upon the holder the right to vote for
4 23 the election of members of the board of directors or
4 24 similar governing body of the entity.
4 25 (2) Is convertible into, or entitles the holder to
4 26 receive upon its exercise, a security that confers
4 27 such a right to vote.
4 28 (3) Is a general partnership interest.
4 29 Sec. _____. Section 423.3, subsection 5, Code 2005,
4 30 is amended to read as follows:
4 31 5. a. The sales price of agricultural limestone,
4 32 herbicide, pesticide, insecticide, including
4 33 adjuvants, surfactants, and other products directly
4 34 related to the application enhancement of those
4 35 products, food, medication, or agricultural drain
4 36 tile, including installation of agricultural drain
4 37 tile, any of which are to be used in disease control,
4 38 weed control, insect control, or health promotion of
4 39 plants or livestock produced as part of agricultural
4 40 production for market.
4 41 b. The following enumerated materials associated
4 42 with the installation of agricultural drain tile which
4 43 is exempt pursuant to paragraph "a" shall also be
4 44 exempt under paragraph "a":
4 45 (1) Tile intakes.
4 46 (2) Outlet pipes and guards.
4 47 (3) Aluminum and gabion structures.
4 48 (4) Erosion control fabric.
4 49 (5) Water control structures.
4 50 (6) Miscellaneous tile fittings.
5 1 Sec. _____. Section 423.3, subsection 39, Code 2005,
5 2 is amended by adding the following new unnumbered
5 3 paragraph:
5 4 NEW UNNUMBERED PARAGRAPH. The exemption under this
5 5 subsection does not apply to vehicles subject to
5 6 registration, aircraft, or commercial or pleasure
5 7 watercraft or water vessels.
5 8 Sec. _____. Section 423.3, Code 2005, is amended by
5 9 adding the following new subsection:
5 10 NEW SUBSECTION. 85. The sales price from services
5 11 performed on a vessel if all of the following apply:
5 12 a. The vessel is a licensed vessel under the laws
5 13 of the United States coast guard.
5 14 b. The vessel is not moored or tied to a physical
5 15 location in this state.
5 16 c. The service is used to repair or restore a
5 17 defect in the vessel.
5 18 d. The vessel is engaged in interstate commerce
5 19 and will continue in interstate commerce once the
5 20 repairs or restoration is completed.
5 21 e. The vessel is in navigable water that borders
5 22 the eastern boundary of this state.
5 23 Sec. _____. Section 423.5, Code 2005, is amended by
5 24 adding the following new subsection:
5 25 NEW SUBSECTION. 8. Any person or that person's
5 26 affiliate, which is a retailer in this state or a
5 27 retailer maintaining a business in this state under
5 28 this chapter, that enters into a contract with an
5 29 agency of this state must register, collect, and remit
5 30 Iowa use tax under this chapter on all sales of
5 31 tangible personal property and enumerated services.
5 32 Every bid submitted and each contract executed by a
5 33 state agency shall contain a certification by the
5 34 bidder or contractor stating that the bidder or
5 35 contractor is registered with the department and will
5 36 collect and remit Iowa use tax due under this chapter.

5 37 In the certification, the bidder or contractor shall
5 38 also acknowledge that the state agency may declare the
5 39 contract or bid void if the certification is false.
5 40 Fraudulent certification, by act or omission, may
5 41 result in the state agency or its representative
5 42 filing for damages for breach of contract.

5 43 For the purposes of this subsection, "affiliate",
5 44 "state agency", and "voting security" mean the same as
5 45 defined in section 423.2, subsection 9A.

5 46 Sec. _____. Section 423A.1, unnumbered paragraph 3,
5 47 Code 2005, is amended to read as follows:

5 48 A local hotel and motel tax shall be imposed on
5 49 January 1, ~~April 1, or July 1, or October 1,~~ following
5 50 the notification of the director of revenue. Once
6 1 imposed, the tax shall remain in effect at the rate
6 2 imposed for a minimum of one year. A local hotel and
6 3 motel tax shall terminate only on ~~March 31, June 30,~~
6 4 ~~September 30,~~ or December 31. At least sixty days
6 5 prior to the tax being effective or prior to a
6 6 revision in the tax rate, or prior to the repeal of
6 7 the tax, a city or county shall provide notice by mail
6 8 of such action to the director of revenue.

6 9 Sec. _____. Section 423E.4, subsection 3, paragraph
6 10 a, Code 2005, is amended to read as follows:

6 11 a. The director of revenue by ~~June 1 preceding~~
6 12 August 15 of each fiscal year shall compute the
6 13 guaranteed school infrastructure amount for each
6 14 school district, each school district's sales tax
6 15 capacity per student for each county, and the
6 16 supplemental school infrastructure amount for the
6 17 coming fiscal year.

6 18 Sec. _____. Section 424.7, Code 2005, is amended by
6 19 adding the following new subsection:

6 20 NEW SUBSECTION. 5. The director may require by
6 21 rule that reports and returns be filed by electronic
6 22 transmission.

6 23 Sec. _____. Section 424.10, subsection 3, Code 2005,
6 24 is amended to read as follows:

6 25 3. If the amount paid is greater than the correct
6 26 charge, penalty, and interest due, the department
6 27 shall refund the excess, with interest ~~after sixty~~
6 28 ~~days from the date of payment at the rate in effect~~
6 29 ~~under section 421.7,~~ pursuant to rules prescribed by
6 30 the director. However, the director shall not allow a
6 31 claim for refund that has not been filed with the
6 32 department within three years after the charge payment
6 33 upon which a refund is claimed became due, or one year
6 34 after the charge payment was made, whichever time is
6 35 later. A determination by the department of the
6 36 amount of charge, penalty, and interest due, or the
6 37 amount of refund for any excess amount paid, is final
6 38 unless the person aggrieved by the determination
6 39 appeals to the director for a revision of the
6 40 determination within sixty days from the date of the
6 41 notice of determination of charge, penalty, and
6 42 interest due or refund owing. The director shall
6 43 grant a hearing, and upon hearing the director shall
6 44 determine the correct charge, penalty, and interest
6 45 due or refund owing, and notify the appellant of the
6 46 decision by mail. The decision of the director is
6 47 final unless the appellant seeks judicial review of
6 48 the director's decision under section 424.13.

6 49 Sec. _____. Section 425.1, subsection 4, Code 2005,
6 50 is amended to read as follows:

7 1 4. Annually the department of revenue shall
7 2 ~~estimate the credit not to exceed the actual levy on~~
7 3 ~~the first four thousand eight hundred fifty dollars of~~
7 4 ~~actual value of each eligible homestead, and shall~~
7 5 certify to the county auditor of each county the
7 6 credit and its amount in dollars. Each county auditor
7 7 shall then enter the credit against the tax levied on
7 8 each eligible homestead in each county payable during
7 9 the ensuing year, designating on the tax lists the
7 10 credit as being from the homestead credit fund, and
7 11 credit shall then be given to the several taxing
7 12 districts in which eligible homesteads are located in
7 13 an amount equal to the credits allowed on the taxes of
7 14 the homesteads. The amount of credits shall be
7 15 apportioned by each county treasurer to the several
7 16 taxing districts as provided by law, in the same
7 17 manner as though the amount of the credit had been

7 18 paid by the owners of the homesteads. However, the
7 19 several taxing districts shall not draw the funds so
7 20 credited until after the semiannual allocations have
7 21 been received by the county treasurer, as provided in
7 22 this chapter. Each county treasurer shall show on
7 23 each tax receipt the amount of credit received from
7 24 the homestead credit fund.

7 25 Sec. _____. NEW SECTION. 427.3 ABATEMENT OF TAXES
7 26 OF CERTAIN EXEMPT ENTITIES.

7 27 The board of supervisors may abate the taxes levied
7 28 against property acquired by gift by a person or
7 29 entity if the property acquired by gift was
7 30 transferred to the person or entity after the deadline
7 31 for filing for property tax exemption in the year in
7 32 which the property was transferred and the property
7 33 acquired by gift would have been exempt under section
7 34 427.1, subsection 7, 8, or 9, if the person or entity
7 35 had been able to file for exemption in a timely
7 36 manner.

7 37 Sec. _____. Section 441.6, unnumbered paragraph 2,
7 38 Code 2005, is amended to read as follows:

7 39 Upon receipt of the report of the examining board,
7 40 the chairperson of the conference board shall by
7 41 written notice call a meeting of the conference board
7 42 to appoint an assessor. The meeting shall be held not
7 43 later than seven days after the receipt of the report
7 44 of the examining board by the conference board. ~~The~~

~~7 45 physical condition, general reputation of the~~
~~7 46 applicants, and their fitness for the position as~~
~~7 47 determined by the examining board shall be taken into~~
~~7 48 consideration in making the appointment.~~ At the

7 49 meeting, the conference board shall appoint an
7 50 assessor from the register of eligible candidates.

8 1 However, if a special examination has not been
8 2 conducted previously for the same vacancy, the
8 3 conference board may request the director of revenue
8 4 to hold a special examination pursuant to section
8 5 441.7. The chairperson of the conference board shall
8 6 give written notice to the director of revenue of the
8 7 appointment and its effective date within ten days of
8 8 the decision of the board.

8 9 Sec. _____. Section 441.8, unnumbered paragraph 1,
8 10 Code 2005, is amended to read as follows:

8 11 The term of office of an assessor appointed under
8 12 this chapter shall be for six years. Appointments for
8 13 each succeeding term shall be made in the same manner
8 14 as the original appointment except that not less than
8 15 ninety days before the expiration of the term of the
8 16 assessor the conference board shall hold a meeting to
8 17 determine whether or not it desires to reappoint the
8 18 incumbent assessor to a new term. If the decision is
8 19 made not to reappoint the assessor, the assessor shall
8 20 be notified, in writing, of such decision not less
8 21 than ninety days prior to the expiration of the
8 22 assessor's term of office. Failure of the conference
8 23 board to provide timely notification of the decision
8 24 not to reappoint the assessor shall result in the
8 25 assessor being reappointed.

8 26 Sec. _____. Section 441.8, unnumbered paragraphs 6
8 27 and 7, Code 2005, are amended to read as follows:

8 28 Upon receiving credit equal to one hundred fifty
8 29 hours of classroom instruction during the assessor's
8 30 current term of office of which at least ninety of the
8 31 one hundred fifty hours are from courses requiring an
8 32 examination upon conclusion of the course, the
8 33 director of revenue shall certify to the assessor's
8 34 conference board that the assessor is eligible to be
8 35 reappointed to the position. For persons appointed to
8 36 complete an unexpired term, the number of credits
8 37 required to be certified as eligible for reappointment
8 38 shall be prorated according to the amount of time
8 39 remaining in the present term of the assessor. If the
8 40 person was an assessor in another jurisdiction, the
8 41 assessor may carry forward any credit hours received
8 42 in the previous position in excess of the number that
8 43 would be necessary to be considered current in that
8 44 position. Upon written request by the person seeking
8 45 a waiver of the continuing education requirements, the
8 46 director may waive the continuing education
8 47 requirements if the director determines good cause
8 48 exists for the waiver.

8 49 Within each six-year period following the
8 50 appointment of a deputy assessor, the deputy assessor
9 1 shall comply with this section except that upon the
9 2 successful completion of ninety hours of classroom
9 3 instruction of which at least sixty of the ninety
9 4 hours are from courses requiring an examination upon
9 5 conclusion of the course, the deputy assessor shall be
9 6 certified by the director of revenue as being eligible
9 7 to remain in the position. If a deputy assessor fails
9 8 to comply with this section, the deputy assessor shall
9 9 be removed from the position until successful
9 10 completion of the required hours of credit. If a
9 11 deputy is appointed to the office of assessor, the
9 12 hours of credit obtained as deputy pursuant to this
9 13 section shall be credited to that individual as
9 14 assessor and for the individual to be reappointed at
9 15 the expiration of the term as assessor, that
9 16 individual must obtain the credits which are necessary
9 17 to total the number of hours for reappointment. Upon
9 18 written request by the person seeking a waiver of the
9 19 continuing education requirements, the director may
9 20 waive the continuing education requirements if the
9 21 director determines good cause exists for the waiver.

9 22 Sec. _____. Section 441.37, subsection 1, Code 2005,
9 23 is amended by adding the following new unnumbered
9 24 paragraph:

9 25 NEW UNNUMBERED PARAGRAPH. The property owner or
9 26 aggrieved taxpayer may combine on one form protests of
9 27 assessment on parcels separately assessed if the same
9 28 grounds are relied upon as the basis for protesting
9 29 each separate assessment. If an oral hearing is
9 30 requested on more than one of such protests, the
9 31 person making the combined protests may request that
9 32 the oral hearings be held consecutively.

9 33 Sec. _____. Section 441.37, subsection 3, Code 2005,
9 34 is amended to read as follows:

9 35 3. After the board of review has considered any
9 36 protest filed by a property owner or aggrieved
9 37 taxpayer and made final disposition of the protest,
9 38 the board shall give written notice to the property
9 39 owner or aggrieved taxpayer who filed the protest of
9 40 the action taken by the board of review on the
9 41 protest. The written notice to the property owner or
9 42 aggrieved taxpayer shall also specify the reasons for
9 43 the action taken by the board of review on the
9 44 protest. If protests of assessment on multiple
9 45 parcels separately assessed were combined, the written
9 46 notice shall state the action taken, and the reasons
9 47 for the action, for each assessment protested.

9 48 Sec. _____. Section 441.38, subsection 2, Code 2005,
9 49 is amended to read as follows:

9 50 2. Notice of appeal shall be served as an original
10 1 notice on the chairperson, presiding officer, or clerk
10 2 of the board of review ~~after the filing of notice~~
~~10 3 under subsection 1 with the clerk of district court~~
10 4 within twenty days after its adjournment or May 31,
10 5 whichever is later.

10 6 Sec. _____. NEW SECTION. 441.40A REIMBURSEMENT OF
10 7 APPELLANT COSTS.

10 8 1. Notwithstanding section 441.40, where the court
10 9 determines the appellant's property was assessed by
10 10 the assessor for more than one hundred ten percent of
10 11 its post-appeal value, the assessor shall pay all
10 12 reasonable attorney fees and any other reasonably
10 13 related costs incurred by the appellant. This
10 14 subsection applies only to appeals relating to
10 15 assessments on property assessed as residential or
10 16 agricultural property.

10 17 2. Notwithstanding section 441.40, where the court
10 18 determines the appellant's property was assessed by
10 19 the assessor for more than one hundred twenty percent
10 20 of its post-appeal value and the court finds that the
10 21 assessor's position in regard to assessment of the
10 22 property was not substantially justified, the assessor
10 23 shall pay all reasonable attorney fees and any other
10 24 reasonably related costs incurred by the appellant.
10 25 This subsection applies only to appeals relating to
10 26 assessments on property assessed as commercial or
10 27 industrial property.

10 28 Sec. _____. Section 452A.2, subsection 19,
10 29 unnumbered paragraph 2, Code 2005, is amended to read

10 30 as follows:
10 31 "Motor fuel" does not include special fuel, and
10 32 does not include liquefied gases which would not exist
10 33 as liquids at a temperature of sixty degrees
10 34 Fahrenheit and a pressure of fourteen and seven-tenths
10 35 pounds per square inch absolute, or naphthas and
10 36 solvents unless the liquefied gases or naphthas and
10 37 solvents are used as a component in the manufacture,
10 38 compounding, or blending of a liquid within paragraph
10 39 "b", in which event the resulting product shall be
10 40 deemed to be motor fuel. "Motor fuel" does not
10 41 include methanol unless blended with other motor fuels
10 42 for use in an aircraft or for propelling motor
10 43 vehicles.

10 44 Sec. ____ Section 452A.2, subsection 25, Code
10 45 2005, is amended to read as follows:
10 46 25. "Special fuel" means fuel oils and all
10 47 combustible gases and liquids suitable for the
10 48 generation of power for propulsion of motor vehicles
10 49 or turbine-powered aircraft, and includes any
10 50 substance used for that purpose, except that it does
11 1 not include motor fuel. Kerosene shall not be
11 2 considered to be a special fuel, unless blended with
11 3 other special fuels for use in a motor vehicle with a
11 4 diesel engine. Methanol shall not be considered to be
11 5 a special fuel unless blended with other special fuels
11 6 for use in a motor vehicle with a diesel engine.

11 7 Sec. ____ Section 452A.8, subsection 2, paragraph
11 8 e, unnumbered paragraph 2, Code 2005, is amended to
11 9 read as follows:
11 10 The department shall adopt rules governing the
11 11 dispensing of compressed natural gas and liquefied
11 12 petroleum gas by licensed dealers and licensed users.
11 13 The director may require by rule that reports and
11 14 returns be filed by electronic transmission. For
11 15 purposes of this paragraph, "dealer" and "user" mean a
11 16 licensed compressed natural gas or liquefied petroleum
11 17 gas dealer or user and "fuel" means compressed natural
11 18 gas or liquefied petroleum gas. The department shall
11 19 require that all pumps located at dealer locations and
11 20 user locations through which liquefied petroleum gas
11 21 can be dispensed shall be metered, inspected, tested
11 22 for accuracy, and sealed and licensed by the state
11 23 department of agriculture and land stewardship, and
11 24 that fuel delivered into the fuel supply tank of any
11 25 motor vehicle shall be dispensed only through tested
11 26 metered pumps and may be sold without temperature
11 27 correction or corrected to a temperature of sixty
11 28 degrees. If the metered gallonage is to be
11 29 temperature-corrected, only a temperature-compensated
11 30 meter shall be used. Natural gas used as fuel shall
11 31 be delivered into compressing equipment through sealed
11 32 meters certified for accuracy by the department of
11 33 agriculture and land stewardship.

11 34 Sec. ____ Section 452A.8, subsections 3 and 4,
11 35 Code 2005, are amended to read as follows:
11 36 3. For the purpose of determining the amount of
11 37 the tax liability on alcohol blended to produce
11 38 ethanol blended gasoline or a blend of special fuel
11 39 products, each licensed blender shall, not later than
11 40 the last day of each month following the month in
11 41 which the blending is done, file with the department a
11 42 monthly return, signed under penalty for false
11 43 certificate, containing information required by rules
11 44 adopted by the director. The director may require by
11 45 rule that reports and returns be filed by electronic
11 46 transmission.

11 47 4. A person who possesses fuel or uses fuel in a
11 48 motor vehicle upon which no tax has been paid by a
11 49 licensee in this state is subject to reporting and
11 50 paying the applicable tax. The director may require
12 1 by rule that reports and returns be filed by
12 2 electronic transmission.

12 3 Sec. ____ Section 452A.10, Code 2005, is amended
12 4 to read as follows:
12 5 452A.10 REQUIRED RECORDS.
12 6 A motor fuel or special fuel supplier, restrictive
12 7 supplier, importer, exporter, blender, dealer, user,
12 8 common carrier, contract carrier, ~~or~~ terminal, or
12 9 nonterminal storage facility shall maintain, for a
12 10 period of three years, records of all transactions by

12 11 which the supplier, restrictive supplier, or importer
12 12 withdraws from a terminal or nonterminal storage
12 13 facility within this state or imports into this state
12 14 motor fuel or undyed special fuel together with
12 15 invoices, bills of lading, and other pertinent records
12 16 and papers as required by the department.

12 17 If in the normal conduct of a supplier's,
12 18 restrictive supplier's, importer's, exporter's,
12 19 blender's, dealer's, user's, common carrier's,
12 20 contract carrier's, ~~or~~ terminal's, or nonterminal
12 21 storage facility's business the records are maintained
12 22 and kept at an office outside this state, the records
12 23 shall be made available for audit and examination by
12 24 the department at the office outside this state, but
12 25 the audit and examination shall be without expense to
12 26 this state.

12 27 Each distributor handling motor fuel or special
12 28 fuel in this state shall maintain for a period of
12 29 three years records of all motor fuel or undyed
12 30 special fuel purchased or otherwise acquired by the
12 31 distributor, together with delivery tickets, invoices,
12 32 and bills of lading, and any other records required by
12 33 the department.

12 34 The department, after an audit and examination of
12 35 records required to be maintained under this section,
12 36 may authorize their disposal upon the written request
12 37 of the supplier, restrictive supplier, importer,
12 38 exporter, blender, dealer, user, carrier, terminal,
12 39 nonterminal storage facility, or distributor.

12 40 Sec. ____ Section 452A.62, subsection 1, paragraph
12 41 a, Code 2005, is amended to read as follows:

12 42 a. A distributor, supplier, restrictive supplier,
12 43 importer, exporter, blender, terminal operator,
12 44 nonterminal storage facility, common carrier, or
12 45 contract carrier, pertaining to motor fuel or undyed
12 46 special fuel withdrawn from a terminal or nonterminal
12 47 storage facility, or brought into this state.

12 48 Sec. ____ Section 452A.62, subsection 2,
12 49 unnumbered paragraph 1, Code 2005, is amended to read
12 50 as follows:

13 1 To examine the records, books, papers, receipts,
13 2 and invoices of any distributor, supplier, restrictive
13 3 supplier, importer, blender, exporter, terminal
13 4 operator, nonterminal storage facility, licensed
13 5 compressed natural gas or liquefied petroleum gas
13 6 dealer or user, or any other person who possesses fuel
13 7 upon which the tax has not been paid to determine
13 8 financial responsibility for the payment of the taxes
13 9 imposed by this chapter.

13 10 Sec. ____ Section 452A.85, Code 2005, is amended
13 11 by adding the following new subsection:

13 12 NEW SUBSECTION. 4. This section does not apply to
13 13 an increase in the tax rate of a specified fuel,
13 14 except for compressed natural gas, unless the increase
13 15 in the tax rate of that fuel is in excess of one-half
13 16 cent per gallon.

13 17 Sec. ____ NEW SECTION. 602.6703 DECLARATORY
13 18 JUDGMENT TO ADJUDICATE CONSTITUTIONAL NEXUS ISSUES
13 19 REGARDING TAXATION.

13 20 1. District courts have original jurisdiction over
13 21 civil actions seeking declaratory judgment when both
13 22 of the following apply:

13 23 a. The party seeking declaratory relief is a
13 24 business that is any of the following:

- 13 25 (1) Organized under the laws of this state.
- 13 26 (2) A sole proprietorship owned by a domiciliary
13 27 of this state.
- 13 28 (3) Authorized to do business in this state.

13 29 b. The responding party is a government official
13 30 of another state, or political subdivision of another
13 31 state, who asserts that the business in question is
13 32 obliged to collect sales or use taxes for such state
13 33 or political subdivision based upon conduct of the
13 34 business that occurs wholly or partially within that
13 35 state or political subdivision.

13 36 2. A business meeting the requirements and facing
13 37 the circumstances described in subsection 1 shall be
13 38 entitled to declaratory relief on the issue of whether
13 39 the requirement of another state, or political
13 40 subdivision of another state, that the business
13 41 collect and remit sales or use taxes to that state, or

13 42 political subdivision, in the factual circumstances of
13 43 the business' operations giving rise to the demand,
13 44 constitutes an undue burden on interstate commerce
13 45 within the meaning of the Constitution of the United
13 46 States.

13 47 Sec. _____. Section 708.3A, subsections 1 through 4,
13 48 Code 2005, are amended to read as follows:

13 49 1. A person who commits an assault, as defined in
13 50 section 708.1, against a peace officer, jailer,
14 1 correctional staff, member or employee of the board of
14 2 parole, health care provider, employee of the
14 3 department of human services, employee of the
14 4 department of revenue, or fire fighter, whether paid
14 5 or volunteer, with the knowledge that the person
14 6 against whom the assault is committed is a peace
14 7 officer, jailer, correctional staff, member or
14 8 employee of the board of parole, health care provider,
14 9 employee of the department of human services, employee
14 10 of the department of revenue, or fire fighter and with
14 11 the intent to inflict a serious injury upon the peace
14 12 officer, jailer, correctional staff, member or
14 13 employee of the board of parole, health care provider,
14 14 employee of the department of human services, employee
14 15 of the department of revenue, or fire fighter, is
14 16 guilty of a class "D" felony.

14 17 2. A person who commits an assault, as defined in
14 18 section 708.1, against a peace officer, jailer,
14 19 correctional staff, member or employee of the board of
14 20 parole, health care provider, employee of the
14 21 department of human services, employee of the
14 22 department of revenue, or fire fighter, whether paid
14 23 or volunteer, who knows that the person against whom
14 24 the assault is committed is a peace officer, jailer,
14 25 correctional staff, member or employee of the board of
14 26 parole, health care provider, employee of the
14 27 department of human services, employee of the
14 28 department of revenue, or fire fighter and who uses or
14 29 displays a dangerous weapon in connection with the
14 30 assault, is guilty of a class "D" felony.

14 31 3. A person who commits an assault, as defined in
14 32 section 708.1, against a peace officer, jailer,
14 33 correctional staff, member or employee of the board of
14 34 parole, health care provider, employee of the
14 35 department of human services, employee of the
14 36 department of revenue, or fire fighter, whether paid
14 37 or volunteer, who knows that the person against whom
14 38 the assault is committed is a peace officer, jailer,
14 39 correctional staff, member or employee of the board of
14 40 parole, health care provider, employee of the
14 41 department of human services, employee of the
14 42 department of revenue, or fire fighter, and who causes
14 43 bodily injury or mental illness, is guilty of an
14 44 aggravated misdemeanor.

14 45 4. Any other assault, as defined in section 708.1,
14 46 committed against a peace officer, jailer,
14 47 correctional staff, member or employee of the board of
14 48 parole, health care provider, employee of the
14 49 department of human services, employee of the
14 50 department of revenue, or fire fighter, whether paid
15 1 or volunteer, by a person who knows that the person
15 2 against whom the assault is committed is a peace
15 3 officer, jailer, correctional staff, member or
15 4 employee of the board of parole, health care provider,
15 5 employee of the department of human services, employee
15 6 of the department of revenue, or fire fighter, is a
15 7 serious misdemeanor.

15 8 Sec. _____. Section 708.3A, Code 2005, is amended by
15 9 adding the following new subsection:

15 10 NEW SUBSECTION. 9. As used in this section,
15 11 "employee of the department of revenue" means a person
15 12 who is employed as an auditor, agent, tax collector,
15 13 or any contractor or representative acting in the same
15 14 capacity. The employee, contractor, or representative
15 15 shall maintain current identification indicating that
15 16 the person is an employee, contractor, or
15 17 representative of the department.

15 18 Sec. _____. ABATEMENT OF PROPERTY TAXES.
15 19 Notwithstanding the requirement for the filing of a
15 20 claim for property tax exemption by February 1, as
15 21 provided in section 427.1, subsection 9, the board of
15 22 supervisors of a county having a population based upon

15 23 the latest federal decennial census of more than one
15 24 hundred eighty thousand but not more than two hundred
15 25 thousand shall abate the property taxes owed, with all
15 26 interest, fees, and costs, which were due and payable
15 27 during the fiscal years beginning July 1, 2004, and
15 28 July 1, 2005, on the land and buildings of an
15 29 educational institution that received the property by
15 30 gift and that did not receive a property tax exemption
15 31 due to the inability or failure to file for the
15 32 exemption. To receive the abatement provided for in
15 33 this section, the educational institution shall apply
15 34 to the county board of supervisors by October 1, 2005,
15 35 and provide appropriate information establishing that
15 36 the lands and buildings for which the abatement is
15 37 sought were used by the educational institution for
15 38 its appropriate objectives during the fiscal years
15 39 beginning July 1, 2004, and July 1, 2005. The
15 40 abatement allowed under this section only applies to
15 41 property taxes, with all interests, fees, and costs,
15 42 due and payable in the fiscal years beginning July 1,
15 43 2004, and July 1, 2005.

15 44 Sec. _____. REFUNDS. Refunds of taxes, interest, or
15 45 penalties which arise from claims resulting from the
15 46 amendment to section 423.3, subsection 5, in this
15 47 division of this Act, for the sale of agricultural
15 48 drain tile materials occurring between January 1,
15 49 1998, and the effective date of the section amending
15 50 section 423.3, subsection 5, in this division of this
16 1 Act, shall be limited to twenty-five thousand dollars
16 2 in the aggregate and shall not be allowed unless
16 3 refund claims are filed prior to October 1, 2005,
16 4 notwithstanding any other provision of law. If the
16 5 amount of claims totals more than twenty-five thousand
16 6 dollars in the aggregate, the department of revenue
16 7 shall prorate the twenty-five thousand dollars among
16 8 all claimants in relation to the amounts of the
16 9 claimants' valid claims.

16 10 Sec. _____. RETROACTIVE APPLICABILITY.

16 11 1. The sections of this division of this Act
16 12 amending Code sections 422.9 and 422.35 apply
16 13 retroactively to January 1, 2005, for tax years
16 14 beginning on or after that date.

16 15 2. The section of this division of this Act
16 16 amending Code section 422.16, being deemed of
16 17 immediate importance, takes effect upon enactment and
16 18 applies to calendar quarters ending on or after the
16 19 effective date of this Act for income taxes withheld
16 20 for tax years beginning on or after January 1, 2005.

16 21 3. The section of this division of this Act
16 22 relating to the abatement of property taxes due and
16 23 payable in the fiscal years beginning July 1, 2004,
16 24 and July 1, 2005, and section 427.1, subsection 9,
16 25 being deemed of immediate importance, takes effect
16 26 upon enactment, and applies retroactively to property
16 27 taxes due and payable in the fiscal years beginning
16 28 July 1, 2004, and July 1, 2005.

16 29 4. The section of this division of this Act
16 30 amending section 423.3, subsection 5, being deemed of
16 31 immediate importance, takes effect upon enactment, and
16 32 applies retroactively to January 1, 1998.

16 33 5. The sections of this division of this Act
16 34 amending section 441.37 apply to protests of
16 35 assessment filed after January 1, 2006.>

16 36 #2. Title page, line 3, by inserting after the
16 37 word <equipment,> the following: <and relating to the
16 38 policy and administration of other taxes and tax=
16 39 related matters,>.

16 40 #3. Title page, line 3, by striking the word <an>.

16 41 #4. Title page, line 4, by striking the word
16 42 <provision> and inserting the following: <provisions>.

16 43

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16 46 J. K. VAN FOSSEN of Scott

16 47

16 48

16 49

16 50 SHOMSHOR of Pottawattamie

17 1 SF 413.1

17 2 mg/es/25

