

Senate Amendment 3218

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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 421.60, subsection 2, paragraph
1 32 m, subparagraph (1), Code 2005, is amended by striking
1 33 the subparagraph and inserting in lieu thereof the
1 34 following:

1 35 (1) The department shall not maintain a position
1 36 against a retailer, in the event that the retailer
1 37 failed to collect the state sales or use tax or local
1 38 sales and services tax from a purchaser as a result of
1 39 erroneous written advice issued by an employee of the
1 40 department specially directed to the retailer by the
1 41 department that is inconsistent with the erroneous
1 42 written advice, except on the basis of subsequent
1 43 written advice sent by the department to that
1 44 retailer, or a change in state or federal law, a
1 45 reported court case to the contrary, a contrary rule
1 46 adopted by the department, a change in material facts
1 47 or circumstances relating to the retailer, or the
1 48 retailer's misrepresentation or incomplete or
1 49 inadequate representation of material facts and
1 50 circumstances in requesting the written advice. Any
2 1 tax, interest, or penalty that is assessed by the
2 2 department which is contrary to the erroneous written
2 3 advice issued by the department shall be abated upon
2 4 the retailer presenting a copy of the retailer's
2 5 request for written advice to the department and a
2 6 copy of the department's reply. For purposes of this
2 7 subparagraph, "written advice" includes a notice of
2 8 assessment issued by the department to the retailer
2 9 and all related documents, including the department's
2 10 report setting forth the basis for the assessment.

2 11 Sec. ____ Section 422.9, subsection 1, Code 2005,
2 12 is amended to read as follows:

2 13 1. An optional standard deduction, after deduction
2 14 of federal income tax, equal to one thousand two
2 15 hundred thirty dollars for a married person who files
2 16 separately or a single person or equal to three
2 17 thousand thirty dollars for a husband and wife who
2 18 file a joint return, a surviving spouse, or an
2 19 unmarried head of household. The optional standard
2 20 deduction shall not exceed the amount remaining after
2 21 deduction of the federal income tax. The amount of
2 22 federal income tax deducted shall be computed as
2 23 provided in subsection 2, paragraph "b".

2 24 Sec. ____ Section 422.9, subsection 2, paragraph

2 25 b, Code 2005, is amended to read as follows:
2 26 b. Add the amount of federal income taxes paid or
2 27 accrued, as the case may be, during the tax year,
~~2 28 adjusted by and subtract any federal income tax~~
2 29 ~~refunds received during the tax year. Provided,~~
2 30 ~~however, that where~~ Where married persons, who have
2 31 filed a joint federal income tax return, file
2 32 separately, such total shall be divided between them
2 33 according to the portion ~~thereof of the total~~ paid or
2 34 accrued, as the case may be, by each. Federal income
2 35 taxes paid for a tax year in which an Iowa return was
2 36 not required to be filed shall not be added and
2 37 federal income tax refunds received from a tax year in
2 38 which an Iowa return was not required to be filed
2 39 shall not be subtracted.

2 40 Sec. _____. Section 422.9, subsection 2, paragraphs
2 41 g and h, Code 2005, are amended by striking the
2 42 paragraphs.

2 43 Sec. _____. Section 422.16, subsection 2, unnumbered
2 44 paragraph 1, Code 2005, is amended to read as follows:

2 45 A withholding agent required to deduct and withhold
2 46 tax under subsections 1 and 12, ~~except those required~~
~~2 47 to deposit on a semimonthly basis, shall deposit for~~
~~2 48 each calendar quarterly period, shall file a return~~
~~2 49 and remit to the department the amount of tax on or~~
2 50 before the last day of the month following the close
3 1 of the quarterly period, ~~on a quarterly deposit form~~
~~3 2 as on forms prescribed by the director and shall pay~~
~~3 3 to the department, in the form of remittances made~~
~~3 4 payable to "Treasurer, State of Iowa", the tax~~
~~3 5 required to be withheld, or the tax actually withheld,~~
~~3 6 whichever is greater, under subsections 1 and 12.~~

3 7 However, a withholding agent who withholds more than
3 8 fifty five hundred dollars in any one month, ~~except~~
~~3 9 those required to deposit on a semimonthly basis, and~~
~~3 10 not more than five thousand dollars in a semimonthly~~
3 11 period shall deposit with the department the amount
3 12 withheld, with a monthly deposit form as prescribed by
3 13 the director. The monthly deposit form is due on or
3 14 before the fifteenth day of the month following the
3 15 month of withholding, except that a deposit is not
3 16 required for the amount withheld in the third month of
3 17 the calendar quarter but the total amount of

~~3 18 withholding for the quarter shall be computed and the~~
~~3 19 amount by which the deposits for that quarter fail to~~
~~3 20 equal the total quarterly liability is due with the~~
~~3 21 filing of the quarterly deposit form. The quarterly~~
~~3 22 deposit form is due within the month following the end~~
~~3 23 of the quarter. A The total quarterly amount, less~~
3 24 the amounts deposited for the first two months of the
3 25 quarter, is due with the quarterly return due on or
3 26 before the last day of the month following the close
3 27 of the quarterly period on forms prescribed by the
3 28 director. However, a withholding agent who withholds

3 29 more than eight five thousand dollars in a semimonthly
3 30 period shall deposit with the department the amount
3 31 withheld, with a semimonthly deposit form as
3 32 prescribed by the director. The first semimonthly
3 33 deposit form for the period from the first of the
3 34 month through the fifteenth of the month is due on the
3 35 twenty=fifth day of the month in which the withholding
3 36 occurs. The second semimonthly deposit form for the
3 37 period from the sixteenth of the month through the end
3 38 of the month is due on the tenth day of the month
3 39 following the month in which the withholding occurs.

3 40 A withholding agent must also file a quarterly return
3 41 which reconciles the amount of tax withheld for the
3 42 quarter with the amount of semimonthly deposits. The
3 43 quarterly return is due on or before the last day of
3 44 the month following the close of the quarterly period
3 45 on forms prescribed by the director.

3 46 Sec. _____. Section 422.35, subsection 15, Code
3 47 2005, is amended by striking the subsection.

3 48 Sec. _____. Section 423.1, subsection 50, Code 2005,
3 49 is amended to read as follows:

3 50 50. "Services" means all acts or services
4 1 rendered, furnished, or performed, other than services
4 2 used in processing of tangible personal property for
4 3 use in retail sales or services, for an employer, ~~as~~
~~4 4 defined in section 422.4, subsection 3, who pays the~~
4 5 wages of an employee for a valuable consideration by

4 6 any person engaged in any business or occupation
4 7 specifically enumerated in section 423.2. The tax
4 8 shall be due and collectible when the service is
4 9 rendered, furnished, or performed for the ultimate
4 10 user of the service.

4 11 Sec. _____. Section 423.2, Code 2005, is amended by
4 12 adding the following new subsection:

4 13 NEW SUBSECTION. 9A. Any person or that person's
4 14 affiliate, which is a retailer in this state or a
4 15 retailer maintaining a business in this state under
4 16 this chapter, that enters into a contract with an
4 17 agency of this state must register, collect, and remit
4 18 Iowa sales tax under this chapter on all sales of
4 19 tangible personal property and enumerated services.
4 20 Every bid submitted and each contract executed by a
4 21 state agency shall contain a certification by the
4 22 bidder or contractor stating that the bidder or
4 23 contractor is registered with the department and will
4 24 collect and remit Iowa sales tax due under this
4 25 chapter. In the certification, the bidder or
4 26 contractor shall also acknowledge that the state
4 27 agency may declare the contract or bid void if the
4 28 certification is false. Fraudulent certification, by
4 29 act or omission, may result in the state agency or its
4 30 representative filing for damages for breach of
4 31 contract.

4 32 For the purposes of this subsection, the following
4 33 definitions apply:

4 34 a. "Affiliate" means any entity to which any of
4 35 the following applies:

4 36 (1) Directly, indirectly, or constructively
4 37 controls another entity.

4 38 (2) Is directly, indirectly, or constructively
4 39 controlled by another entity.

4 40 (3) Is subject to the control of a common entity.

4 41 A common entity is one which owns directly or
4 42 individually more than ten percent of the voting
4 43 securities of the entity.

4 44 b. "State agency" means an authority, board,
4 45 commission, department, instrumentality, or other
4 46 administrative office or unit of this state, or any
4 47 other state entity reported in the Iowa comprehensive
4 48 annual financial report, including public institutions
4 49 of higher education.

4 50 c. "Voting security" means a security to which any
5 1 of the following applies:

5 2 (1) Confers upon the holder the right to vote for
5 3 the election of members of the board of directors or
5 4 similar governing body of the entity.

5 5 (2) Is convertible into, or entitles the holder to
5 6 receive upon its exercise, a security that confers
5 7 such a right to vote.

5 8 (3) Is a general partnership interest.

5 9 Sec. _____. Section 423.3, subsection 5, Code 2005,
5 10 is amended to read as follows:

5 11 5. a. The sales price of agricultural limestone,
5 12 herbicide, pesticide, insecticide, including
5 13 adjuvants, surfactants, and other products directly
5 14 related to the application enhancement of those
5 15 products, food, medication, or agricultural drain
5 16 tile, including installation of agricultural drain
5 17 tile, any of which are to be used in disease control,
5 18 weed control, insect control, or health promotion of
5 19 plants or livestock produced as part of agricultural
5 20 production for market.

5 21 b. The following enumerated materials associated
5 22 with the installation of agricultural drain tile which
5 23 is exempt pursuant to paragraph "a" shall also be
5 24 exempt under paragraph "a":

5 25 (1) Tile intakes.

5 26 (2) Outlet pipes and guards.

5 27 (3) Aluminum and gabion structures.

5 28 (4) Erosion control fabric.

5 29 (5) Water control structures.

5 30 (6) Miscellaneous tile fittings.

5 31 Sec. _____. Section 423.3, subsection 39, Code 2005,
5 32 is amended by adding the following new unnumbered
5 33 paragraph:

5 34 NEW UNNUMBERED PARAGRAPH. The exemption under this
5 35 subsection does not apply to vehicles subject to
5 36 registration, aircraft, or commercial or pleasure

5 37 watercraft or water vessels.
5 38 Sec. _____. Section 423.3, Code 2005, is amended by
5 39 adding the following new subsection:
5 40 NEW SUBSECTION. 85. The sales price from services
5 41 performed on a vessel if all of the following apply:
5 42 a. The vessel is a licensed vessel under the laws
5 43 of the United States coast guard.
5 44 b. The vessel is not moored or tied to a physical
5 45 location in this state.
5 46 c. The service is used to repair or restore a
5 47 defect in the vessel.
5 48 d. The vessel is engaged in interstate commerce
5 49 and will continue in interstate commerce once the
5 50 repairs or restoration is completed.
6 1 e. The vessel is in navigable water that borders
6 2 the eastern boundary of this state.
6 3 Sec. _____. Section 423.5, Code 2005, is amended by
6 4 adding the following new subsection:
6 5 NEW SUBSECTION. 8. Any person or that person's
6 6 affiliate, which is a retailer in this state or a
6 7 retailer maintaining a business in this state under
6 8 this chapter, that enters into a contract with an
6 9 agency of this state must register, collect, and remit
6 10 Iowa use tax under this chapter on all sales of
6 11 tangible personal property and enumerated services.
6 12 Every bid submitted and each contract executed by a
6 13 state agency shall contain a certification by the
6 14 bidder or contractor stating that the bidder or
6 15 contractor is registered with the department and will
6 16 collect and remit Iowa use tax due under this chapter.
6 17 In the certification, the bidder or contractor shall
6 18 also acknowledge that the state agency may declare the
6 19 contract or bid void if the certification is false.
6 20 Fraudulent certification, by act or omission, may
6 21 result in the state agency or its representative
6 22 filing for damages for breach of contract.
6 23 For the purposes of this subsection, "affiliate",
6 24 "state agency", and "voting security" mean the same as
6 25 defined in section 423.2, subsection 9A.
6 26 Sec. _____. Section 423A.1, unnumbered paragraph 3,
6 27 Code 2005, is amended to read as follows:
6 28 A local hotel and motel tax shall be imposed on
6 29 January 1, ~~April 1, or July 1, or October 1,~~ following
6 30 the notification of the director of revenue. Once
6 31 imposed, the tax shall remain in effect at the rate
6 32 imposed for a minimum of one year. A local hotel and
6 33 motel tax shall terminate only on ~~March 31, June 30,~~
~~6 34 September 30,~~ or December 31. At least sixty days
6 35 prior to the tax being effective or prior to a
6 36 revision in the tax rate, or prior to the repeal of
6 37 the tax, a city or county shall provide notice by mail
6 38 of such action to the director of revenue.
6 39 Sec. _____. Section 423E.4, subsection 3, paragraph
6 40 a, Code 2005, is amended to read as follows:
6 41 a. The director of revenue by ~~June 1 preceding~~
6 42 August 15 of each fiscal year shall compute the
6 43 guaranteed school infrastructure amount for each
6 44 school district, each school district's sales tax
6 45 capacity per student for each county, and the
6 46 supplemental school infrastructure amount for the
6 47 coming fiscal year.
6 48 Sec. _____. Section 424.7, Code 2005, is amended by
6 49 adding the following new subsection:
6 50 NEW SUBSECTION. 5. The director may require by
7 1 rule that reports and returns be filed by electronic
7 2 transmission.
7 3 Sec. _____. Section 424.10, subsection 3, Code 2005,
7 4 is amended to read as follows:
7 5 3. If the amount paid is greater than the correct
7 6 charge, penalty, and interest due, the department
7 7 shall refund the excess, with interest ~~after sixty~~
~~7 8 days from the date of payment at the rate in effect~~
~~7 9 under section 421.7,~~ pursuant to rules prescribed by
7 10 the director. However, the director shall not allow a
7 11 claim for refund that has not been filed with the
7 12 department within three years after the charge payment
7 13 upon which a refund is claimed became due, or one year
7 14 after the charge payment was made, whichever time is
7 15 later. A determination by the department of the
7 16 amount of charge, penalty, and interest due, or the
7 17 amount of refund for any excess amount paid, is final

7 18 unless the person aggrieved by the determination
7 19 appeals to the director for a revision of the
7 20 determination within sixty days from the date of the
7 21 notice of determination of charge, penalty, and
7 22 interest due or refund owing. The director shall
7 23 grant a hearing, and upon hearing the director shall
7 24 determine the correct charge, penalty, and interest
7 25 due or refund owing, and notify the appellant of the
7 26 decision by mail. The decision of the director is
7 27 final unless the appellant seeks judicial review of
7 28 the director's decision under section 424.13.

7 29 Sec. _____. Section 425.1, subsection 4, Code 2005,
7 30 is amended to read as follows:

7 31 4. Annually the department of revenue shall
7 32 ~~estimate the credit not to exceed the actual levy on~~
7 33 ~~the first four thousand eight hundred fifty dollars of~~
7 34 ~~actual value of each eligible homestead, and shall~~
7 35 certify to the county auditor of each county the
7 36 credit and its amount in dollars. Each county auditor
7 37 shall then enter the credit against the tax levied on
7 38 each eligible homestead in each county payable during
7 39 the ensuing year, designating on the tax lists the
7 40 credit as being from the homestead credit fund, and
7 41 credit shall then be given to the several taxing
7 42 districts in which eligible homesteads are located in
7 43 an amount equal to the credits allowed on the taxes of
7 44 the homesteads. The amount of credits shall be
7 45 apportioned by each county treasurer to the several
7 46 taxing districts as provided by law, in the same
7 47 manner as though the amount of the credit had been
7 48 paid by the owners of the homesteads. However, the
7 49 several taxing districts shall not draw the funds so
7 50 credited until after the semiannual allocations have
8 1 been received by the county treasurer, as provided in
8 2 this chapter. Each county treasurer shall show on
8 3 each tax receipt the amount of credit received from
8 4 the homestead credit fund.

8 5 Sec. _____. NEW SECTION. 427.3 ABATEMENT OF TAXES
8 6 OF CERTAIN EXEMPT ENTITIES.

8 7 The board of supervisors may abate the taxes levied
8 8 against property acquired by gift by a person or
8 9 entity if the property acquired by gift was
8 10 transferred to the person or entity after the deadline
8 11 for filing for property tax exemption in the year in
8 12 which the property was transferred and the property
8 13 acquired by gift would have been exempt under section
8 14 427.1, subsection 7, 8, or 9, if the person or entity
8 15 had been able to file for exemption in a timely
8 16 manner.

8 17 Sec. _____. Section 441.6, unnumbered paragraph 2,
8 18 Code 2005, is amended to read as follows:

8 19 Upon receipt of the report of the examining board,
8 20 the chairperson of the conference board shall by
8 21 written notice call a meeting of the conference board
8 22 to appoint an assessor. The meeting shall be held not
8 23 later than seven days after the receipt of the report
8 24 of the examining board by the conference board. ~~The~~
8 25 ~~physical condition, general reputation of the~~
8 26 ~~applicants, and their fitness for the position as~~
8 27 ~~determined by the examining board shall be taken into~~
8 28 ~~consideration in making the appointment.~~ At the
8 29 meeting, the conference board shall appoint an
8 30 assessor from the register of eligible candidates.
8 31 However, if a special examination has not been
8 32 conducted previously for the same vacancy, the
8 33 conference board may request the director of revenue
8 34 to hold a special examination pursuant to section
8 35 441.7. The chairperson of the conference board shall
8 36 give written notice to the director of revenue of the
8 37 appointment and its effective date within ten days of
8 38 the decision of the board.

8 39 Sec. _____. Section 441.8, unnumbered paragraph 1,
8 40 Code 2005, is amended to read as follows:

8 41 The term of office of an assessor appointed under
8 42 this chapter shall be for six years. Appointments for
8 43 each succeeding term shall be made in the same manner
8 44 as the original appointment except that not less than
8 45 ninety days before the expiration of the term of the
8 46 assessor the conference board shall hold a meeting to
8 47 determine whether or not it desires to reappoint the
8 48 incumbent assessor to a new term. If the decision is

~~8 49 made not to reappoint the assessor, the assessor shall
8 50 be notified, in writing, of such decision not less
9 1 than ninety days prior to the expiration of the
9 2 assessor's term of office. Failure of the conference
9 3 board to provide timely notification of the decision
9 4 not to reappoint the assessor shall result in the
9 5 assessor being reappointed.~~

9 6 Sec. _____. Section 441.8, unnumbered paragraphs 6
9 7 and 7, Code 2005, are amended to read as follows:

9 8 Upon receiving credit equal to one hundred fifty
9 9 hours of classroom instruction during the assessor's
9 10 current term of office of which at least ninety of the
9 11 one hundred fifty hours are from courses requiring an
9 12 examination upon conclusion of the course, the
9 13 director of revenue shall certify to the assessor's
9 14 conference board that the assessor is eligible to be
9 15 reappointed to the position. For persons appointed to
9 16 complete an unexpired term, the number of credits
9 17 required to be certified as eligible for reappointment
9 18 shall be prorated according to the amount of time
9 19 remaining in the present term of the assessor. If the
9 20 person was an assessor in another jurisdiction, the
9 21 assessor may carry forward any credit hours received
9 22 in the previous position in excess of the number that
9 23 would be necessary to be considered current in that
9 24 position. Upon written request by the person seeking
9 25 a waiver of the continuing education requirements, the
9 26 director may waive the continuing education
9 27 requirements if the director determines good cause
9 28 exists for the waiver.

9 29 Within each six-year period following the
9 30 appointment of a deputy assessor, the deputy assessor
9 31 shall comply with this section except that upon the
9 32 successful completion of ninety hours of classroom
9 33 instruction of which at least sixty of the ninety
9 34 hours are from courses requiring an examination upon
9 35 conclusion of the course, the deputy assessor shall be
9 36 certified by the director of revenue as being eligible
9 37 to remain in the position. If a deputy assessor fails
9 38 to comply with this section, the deputy assessor shall
9 39 be removed from the position until successful
9 40 completion of the required hours of credit. If a
9 41 deputy is appointed to the office of assessor, the
9 42 hours of credit obtained as deputy pursuant to this
9 43 section shall be credited to that individual as
9 44 assessor and for the individual to be reappointed at
9 45 the expiration of the term as assessor, that
9 46 individual must obtain the credits which are necessary
9 47 to total the number of hours for reappointment. Upon
9 48 written request by the person seeking a waiver of the
9 49 continuing education requirements, the director may
9 50 waive the continuing education requirements if the
10 1 director determines good cause exists for the waiver.

10 2 Sec. _____. Section 441.37, subsection 1, Code 2005,
10 3 is amended by adding the following new unnumbered
10 4 paragraph:

10 5 NEW UNNUMBERED PARAGRAPH. The property owner or
10 6 aggrieved taxpayer may combine on one form protests of
10 7 assessment on parcels separately assessed if the same
10 8 grounds are relied upon as the basis for protesting
10 9 each separate assessment. If an oral hearing is
10 10 requested on more than one of such protests, the
10 11 person making the combined protests may request that
10 12 the oral hearings be held consecutively.

10 13 Sec. _____. Section 441.37, subsection 3, Code 2005,
10 14 is amended to read as follows:

10 15 3. After the board of review has considered any
10 16 protest filed by a property owner or aggrieved
10 17 taxpayer and made final disposition of the protest,
10 18 the board shall give written notice to the property
10 19 owner or aggrieved taxpayer who filed the protest of
10 20 the action taken by the board of review on the
10 21 protest. The written notice to the property owner or
10 22 aggrieved taxpayer shall also specify the reasons for
10 23 the action taken by the board of review on the
10 24 protest. If protests of assessment on multiple
10 25 parcels separately assessed were combined, the written
10 26 notice shall state the action taken, and the reasons
10 27 for the action, for each assessment protested.

10 28 Sec. _____. Section 441.38, subsection 2, Code 2005,
10 29 is amended to read as follows:

10 30 2. Notice of appeal shall be served as an original
10 31 notice on the chairperson, presiding officer, or clerk
10 32 of the board of review ~~after the filing of notice~~
~~10 33 under subsection 1 with the clerk of district court~~
10 34 within twenty days after its adjournment or May 31,
10 35 whichever is later.

10 36 Sec. ____ NEW SECTION. 441.40A REIMBURSEMENT OF
10 37 APPELLANT COSTS.

10 38 1. Notwithstanding section 441.40, where the court
10 39 determines the appellant's property was assessed by
10 40 the assessor for more than one hundred twenty percent
10 41 of its post-appeal value, the assessor shall pay all
10 42 reasonable attorney fees and any other reasonably
10 43 related costs incurred by the appellant. This
10 44 subsection applies only to appeals relating to
10 45 assessments on property assessed as residential or
10 46 agricultural property.

10 47 2. Notwithstanding section 441.40, where the court
10 48 determines the appellant's property was assessed by
10 49 the assessor for more than one hundred twenty percent
10 50 of its post-appeal value and the court finds that the
11 1 assessor's position in regard to assessment of the
11 2 property was not substantially justified, the assessor
11 3 shall pay all reasonable attorney fees and any other
11 4 reasonably related costs incurred by the appellant.
11 5 This subsection applies only to appeals relating to
11 6 assessments on property assessed as commercial or
11 7 industrial property.

11 8 Sec. ____ Section 452A.2, subsection 19,
11 9 unnumbered paragraph 2, Code 2005, is amended to read
11 10 as follows:

11 11 "Motor fuel" does not include special fuel, and
11 12 does not include liquefied gases which would not exist
11 13 as liquids at a temperature of sixty degrees
11 14 Fahrenheit and a pressure of fourteen and seven-tenths
11 15 pounds per square inch absolute, or naphthas and
11 16 solvents unless the liquefied gases or naphthas and
11 17 solvents are used as a component in the manufacture,
11 18 compounding, or blending of a liquid within paragraph
11 19 "b", in which event the resulting product shall be
11 20 deemed to be motor fuel. "Motor fuel" does not
~~11 21 include methanol unless blended with other motor fuels~~
~~11 22 for use in an aircraft or for propelling motor~~
11 23 vehicles.

11 24 Sec. ____ Section 452A.2, subsection 25, Code
11 25 2005, is amended to read as follows:

11 26 25. "Special fuel" means fuel oils and all
11 27 combustible gases and liquids suitable for the
11 28 generation of power for propulsion of motor vehicles
11 29 or turbine-powered aircraft, and includes any
11 30 substance used for that purpose, except that it does
11 31 not include motor fuel. Kerosene shall not be
11 32 considered to be a special fuel, unless blended with
11 33 other special fuels for use in a motor vehicle with a
11 34 diesel engine. Methanol shall not be considered to be
~~11 35 a special fuel unless blended with other special fuels~~
~~11 36 for use in a motor vehicle with a diesel engine.~~

11 37 Sec. ____ Section 452A.8, subsection 2, paragraph
11 38 e, unnumbered paragraph 2, Code 2005, is amended to
11 39 read as follows:

11 40 The department shall adopt rules governing the
11 41 dispensing of compressed natural gas and liquefied
11 42 petroleum gas by licensed dealers and licensed users.
11 43 The director may require by rule that reports and
~~11 44 returns be filed by electronic transmission.~~ For
11 45 purposes of this paragraph, "dealer" and "user" mean a
11 46 licensed compressed natural gas or liquefied petroleum
11 47 gas dealer or user and "fuel" means compressed natural
11 48 gas or liquefied petroleum gas. The department shall
11 49 require that all pumps located at dealer locations and
11 50 user locations through which liquefied petroleum gas
12 1 can be dispensed shall be metered, inspected, tested
12 2 for accuracy, and sealed and licensed by the state
12 3 department of agriculture and land stewardship, and
12 4 that fuel delivered into the fuel supply tank of any
12 5 motor vehicle shall be dispensed only through tested
12 6 metered pumps and may be sold without temperature
12 7 correction or corrected to a temperature of sixty
12 8 degrees. If the metered gallonage is to be
12 9 temperature-compensated, only a temperature-compensated
12 10 meter shall be used. Natural gas used as fuel shall

12 11 be delivered into compressing equipment through sealed
12 12 meters certified for accuracy by the department of
12 13 agriculture and land stewardship.

12 14 Sec. ____ Section 452A.8, subsections 3 and 4,
12 15 Code 2005, are amended to read as follows:

12 16 3. For the purpose of determining the amount of
12 17 the tax liability on alcohol blended to produce
12 18 ethanol blended gasoline or a blend of special fuel
12 19 products, each licensed blender shall, not later than
12 20 the last day of each month following the month in
12 21 which the blending is done, file with the department a
12 22 monthly return, signed under penalty for false
12 23 certificate, containing information required by rules
12 24 adopted by the director. The director may require by
12 25 rule that reports and returns be filed by electronic
12 26 transmission.

12 27 4. A person who possesses fuel or uses fuel in a
12 28 motor vehicle upon which no tax has been paid by a
12 29 licensee in this state is subject to reporting and
12 30 paying the applicable tax. The director may require
12 31 by rule that reports and returns be filed by
12 32 electronic transmission.

12 33 Sec. ____ Section 452A.10, Code 2005, is amended
12 34 to read as follows:

12 35 452A.10 REQUIRED RECORDS.

12 36 A motor fuel or special fuel supplier, restrictive
12 37 supplier, importer, exporter, blender, dealer, user,
12 38 common carrier, contract carrier, ~~or terminal, or~~
12 39 nonterminal storage facility shall maintain, for a
12 40 period of three years, records of all transactions by
12 41 which the supplier, restrictive supplier, or importer
12 42 withdraws from a terminal or nonterminal storage
12 43 facility within this state or imports into this state
12 44 motor fuel or undyed special fuel together with
12 45 invoices, bills of lading, and other pertinent records
12 46 and papers as required by the department.

12 47 If in the normal conduct of a supplier's,
12 48 restrictive supplier's, importer's, exporter's,
12 49 blender's, dealer's, user's, common carrier's,
12 50 contract carrier's, ~~or terminal's, or nonterminal~~
13 1 storage facility's business the records are maintained
13 2 and kept at an office outside this state, the records
13 3 shall be made available for audit and examination by
13 4 the department at the office outside this state, but
13 5 the audit and examination shall be without expense to
13 6 this state.

13 7 Each distributor handling motor fuel or special
13 8 fuel in this state shall maintain for a period of
13 9 three years records of all motor fuel or undyed
13 10 special fuel purchased or otherwise acquired by the
13 11 distributor, together with delivery tickets, invoices,
13 12 and bills of lading, and any other records required by
13 13 the department.

13 14 The department, after an audit and examination of
13 15 records required to be maintained under this section,
13 16 may authorize their disposal upon the written request
13 17 of the supplier, restrictive supplier, importer,
13 18 exporter, blender, dealer, user, carrier, terminal,
13 19 nonterminal storage facility, or distributor.

13 20 Sec. ____ Section 452A.62, subsection 1, paragraph
13 21 a, Code 2005, is amended to read as follows:

13 22 a. A distributor, supplier, restrictive supplier,
13 23 importer, exporter, blender, terminal operator,
13 24 nonterminal storage facility, common carrier, or
13 25 contract carrier, pertaining to motor fuel or undyed
13 26 special fuel withdrawn from a terminal or nonterminal
13 27 storage facility, or brought into this state.

13 28 Sec. ____ Section 452A.62, subsection 2,
13 29 unnumbered paragraph 1, Code 2005, is amended to read
13 30 as follows:

13 31 To examine the records, books, papers, receipts,
13 32 and invoices of any distributor, supplier, restrictive
13 33 supplier, importer, blender, exporter, terminal
13 34 operator, nonterminal storage facility, licensed
13 35 compressed natural gas or liquefied petroleum gas
13 36 dealer or user, or any other person who possesses fuel
13 37 upon which the tax has not been paid to determine
13 38 financial responsibility for the payment of the taxes
13 39 imposed by this chapter.

13 40 Sec. ____ Section 452A.85, Code 2005, is amended
13 41 by adding the following new subsection:

13 42 NEW SUBSECTION. 4. This section does not apply to
13 43 an increase in the tax rate of a specified fuel,
13 44 except for compressed natural gas, unless the increase
13 45 in the tax rate of that fuel is in excess of one-half
13 46 cent per gallon.

13 47 Sec. ____ NEW SECTION. 602.6703 DECLARATORY
13 48 JUDGMENT TO ADJUDICATE CONSTITUTIONAL NEXUS ISSUES
13 49 REGARDING TAXATION.

13 50 1. District courts have original jurisdiction over
14 1 civil actions seeking declaratory judgment when both
14 2 of the following apply:

14 3 a. The party seeking declaratory relief is a
14 4 business that is any of the following:

14 5 (1) Organized under the laws of this state.

14 6 (2) A sole proprietorship owned by a domiciliary
14 7 of this state.

14 8 (3) Authorized to do business in this state.

14 9 b. The responding party is a government official
14 10 of another state, or political subdivision of another
14 11 state, who asserts that the business in question is
14 12 obliged to collect sales or use taxes for such state
14 13 or political subdivision based upon conduct of the
14 14 business that occurs wholly or partially within that
14 15 state or political subdivision.

14 16 2. A business meeting the requirements and facing
14 17 the circumstances described in subsection 1 shall be
14 18 entitled to declaratory relief on the issue of whether
14 19 the requirement of another state, or political
14 20 subdivision of another state, that the business
14 21 collect and remit sales or use taxes to that state, or
14 22 political subdivision, in the factual circumstances of
14 23 the business' operations giving rise to the demand,
14 24 constitutes an undue burden on interstate commerce
14 25 within the meaning of the Constitution of the United
14 26 States.

14 27 Sec. ____ Section 708.3A, subsections 1 through 4,
14 28 Code 2005, are amended to read as follows:

14 29 1. A person who commits an assault, as defined in
14 30 section 708.1, against a peace officer, jailer,
14 31 correctional staff, member or employee of the board of
14 32 parole, health care provider, employee of the
14 33 department of human services, employee of the
14 34 department of revenue, or fire fighter, whether paid
14 35 or volunteer, with the knowledge that the person
14 36 against whom the assault is committed is a peace
14 37 officer, jailer, correctional staff, member or
14 38 employee of the board of parole, health care provider,
14 39 employee of the department of human services, employee
14 40 of the department of revenue, or fire fighter and with
14 41 the intent to inflict a serious injury upon the peace
14 42 officer, jailer, correctional staff, member or
14 43 employee of the board of parole, health care provider,
14 44 employee of the department of human services, employee
14 45 of the department of revenue, or fire fighter, is

14 46 guilty of a class "D" felony.

14 47 2. A person who commits an assault, as defined in
14 48 section 708.1, against a peace officer, jailer,
14 49 correctional staff, member or employee of the board of
14 50 parole, health care provider, employee of the
15 1 department of human services, employee of the
15 2 department of revenue, or fire fighter, whether paid
15 3 or volunteer, who knows that the person against whom
15 4 the assault is committed is a peace officer, jailer,
15 5 correctional staff, member or employee of the board of
15 6 parole, health care provider, employee of the
15 7 department of human services, employee of the
15 8 department of revenue, or fire fighter and who uses or
15 9 displays a dangerous weapon in connection with the
15 10 assault, is guilty of a class "D" felony.

15 11 3. A person who commits an assault, as defined in
15 12 section 708.1, against a peace officer, jailer,
15 13 correctional staff, member or employee of the board of
15 14 parole, health care provider, employee of the
15 15 department of human services, employee of the
15 16 department of revenue, or fire fighter, whether paid
15 17 or volunteer, who knows that the person against whom
15 18 the assault is committed is a peace officer, jailer,
15 19 correctional staff, member or employee of the board of
15 20 parole, health care provider, employee of the
15 21 department of human services, employee of the
15 22 department of revenue, or fire fighter, and who causes

15 23 bodily injury or mental illness, is guilty of an
15 24 aggravated misdemeanor.
15 25 4. Any other assault, as defined in section 708.1,
15 26 committed against a peace officer, jailer,
15 27 correctional staff, member or employee of the board of
15 28 parole, health care provider, employee of the
15 29 department of human services, employee of the
15 30 department of revenue, or fire fighter, whether paid
15 31 or volunteer, by a person who knows that the person
15 32 against whom the assault is committed is a peace
15 33 officer, jailer, correctional staff, member or
15 34 employee of the board of parole, health care provider,
15 35 employee of the department of human services, employee
15 36 of the department of revenue, or fire fighter, is a
15 37 serious misdemeanor.

15 38 Sec. _____. Section 708.3A, Code 2005, is amended by
15 39 adding the following new subsection:

15 40 NEW SUBSECTION. 9. As used in this section,
15 41 "employee of the department of revenue" means a person
15 42 who is employed as an auditor, agent, tax collector,
15 43 or any contractor or representative acting in the same
15 44 capacity. The employee, contractor, or representative
15 45 shall maintain current identification indicating that
15 46 the person is an employee, contractor, or
15 47 representative of the department.

15 48 Sec. _____. ABATEMENT OF PROPERTY TAXES.
15 49 Notwithstanding the requirement for the filing of a
15 50 claim for property tax exemption by February 1, as
16 1 provided in section 427.1, subsection 9, the board of
16 2 supervisors of a county having a population based upon
16 3 the latest federal decennial census of more than one
16 4 hundred eighty thousand but not more than two hundred
16 5 thousand shall abate the property taxes owed, with all
16 6 interest, fees, and costs, which were due and payable
16 7 during the fiscal years beginning July 1, 2004, and
16 8 July 1, 2005, on the land and buildings of an
16 9 educational institution that received the property by
16 10 gift and that did not receive a property tax exemption
16 11 due to the inability or failure to file for the
16 12 exemption. To receive the abatement provided for in
16 13 this section, the educational institution shall apply
16 14 to the county board of supervisors by October 1, 2005,
16 15 and provide appropriate information establishing that
16 16 the lands and buildings for which the abatement is
16 17 sought were used by the educational institution for
16 18 its appropriate objectives during the fiscal years
16 19 beginning July 1, 2004, and July 1, 2005. The
16 20 abatement allowed under this section only applies to
16 21 property taxes, with all interests, fees, and costs,
16 22 due and payable in the fiscal years beginning July 1,
16 23 2004, and July 1, 2005.

16 24 Sec. _____. REFUNDS. Refunds of taxes, interest, or
16 25 penalties which arise from claims resulting from the
16 26 amendment to section 423.3, subsection 5, in this
16 27 division of this Act, for the sale of agricultural
16 28 drain tile materials occurring between January 1,
16 29 1998, and the effective date of the section amending
16 30 section 423.3, subsection 5, in this division of this
16 31 Act, shall be limited to twenty-five thousand dollars
16 32 in the aggregate and shall not be allowed unless
16 33 refund claims are filed prior to October 1, 2005,
16 34 notwithstanding any other provision of law. If the
16 35 amount of claims totals more than twenty-five thousand
16 36 dollars in the aggregate, the department of revenue
16 37 shall prorate the twenty-five thousand dollars among
16 38 all claimants in relation to the amounts of the
16 39 claimants' valid claims.

16 40 Sec. _____. RETROACTIVE APPLICABILITY.

16 41 1. The sections of this division of this Act
16 42 amending Code sections 422.9 and 422.35 apply
16 43 retroactively to January 1, 2005, for tax years
16 44 beginning on or after that date.

16 45 2. The section of this division of this Act
16 46 amending Code section 422.16, being deemed of
16 47 immediate importance, takes effect upon enactment and
16 48 applies to calendar quarters ending on or after the
16 49 effective date of this Act for income taxes withheld
16 50 for tax years beginning on or after January 1, 2005.

17 1 3. The section of this division of this Act
17 2 relating to the abatement of property taxes due and
17 3 payable in the fiscal years beginning July 1, 2004,

17 4 and July 1, 2005, and section 427.1, subsection 9,
17 5 being deemed of immediate importance, takes effect
17 6 upon enactment, and applies retroactively to property
17 7 taxes due and payable in the fiscal years beginning
17 8 July 1, 2004, and July 1, 2005.
17 9 4. The section of this division of this Act
17 10 amending section 423.3, subsection 5, being deemed of
17 11 immediate importance, takes effect upon enactment, and
17 12 applies retroactively to January 1, 1998.
17 13 5. The sections of this division of this Act
17 14 amending section 441.37 apply to protests of
17 15 assessment filed after January 1, 2006.>
17 16 #2. Title page, line 3, by inserting after the
17 17 word <equipment,> the following: <and relating to the
17 18 policy and administration of other taxes and tax=
17 19 related matters,>.
17 20 #3. Title page, line 3, by striking the word <an>.
17 21 #4. Title page, line 4, by striking the word
17 22 <provision> and inserting the following: <provisions>.
17 23 SF 413.H
17 24 mg/es/25