

House File 2583

H-8370

1 Amend House File 2583 as follows:

2 1. By striking everything after the enacting clause and
3 inserting:

4 <DIVISION I

5 SALES, USE, AND EXCISE TAX — RETURNS DUE

6 Section 1. Section 9C.3, subsection 3, Code 2022, is amended
7 to read as follows:

8 3. The application shall state whether or not the applicant
9 has an Iowa retailers sales or use tax permit and if the
10 applicant has such permit, shall state the number of such
11 permit.

12 Sec. 2. Section 9C.5, Code 2022, is amended to read as
13 follows:

14 **9C.5 Issuance of license.**

15 Upon receiving an application for a transient merchant's
16 license, the secretary of state shall investigate or cause to
17 be investigated, the reputation and character of the applicant.
18 If, upon making such investigation, the secretary of state is
19 satisfied that the statements and representations contained in
20 the application are true, and that the applicant is of good
21 reputation and character, and the holder of an Iowa ~~retailer's~~
22 sales or use tax permit, and if a foreign corporation, has
23 authority to do business in the state of Iowa, the secretary
24 shall issue to the applicant a license as a transient merchant
25 upon payment of the fee as herein prescribed for the period of
26 time requested in said application and for use at the location
27 and place where it is stated in said application the sale will
28 be held or the business conducted, both of which shall be set
29 out in said license. Such license shall be valid only for the
30 period of time and at the location and place described therein.

31 Sec. 3. Section 99G.30A, subsection 2, paragraph c, Code
32 2022, is amended to read as follows:

33 c. Frequency of deposits and ~~quarterly~~ monthly reports of
34 the monitor vending machine excise tax with the department of
35 revenue are governed by the tax provisions in [section 423.31](#).

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1 Monitor vending machine excise tax collections shall not be
2 included in computation of the total tax to determine frequency
3 of filing under [section 423.31](#).

4 Sec. 4. Section 321.105A, subsection 4, paragraph b, Code
5 2022, is amended to read as follows:

6 *b.* [Section 422.25, subsection 4, sections 422.30, 422.67,](#)
7 [and 422.68, section 422.69, subsection 1, sections 422.70,](#)
8 [422.71, 422.72, 422.74, and 422.75, section 423.14, subsection](#)
9 [2, and sections 423.23, 423.24, 423.25, ~~423.32~~, 423.33, 423.35,](#)
10 [423.37 through 423.42, 423.45, and 423.47,](#) consistent with the
11 provisions of [this section](#), apply with respect to the fees
12 for new registration authorized under [this section](#) in the
13 same manner and with the same effect as if the fees for new
14 registration were retail use taxes within the meaning of those
15 statutes.

16 Sec. 5. Section 421.26, Code 2022, is amended to read as
17 follows:

18 **421.26 Personal liability for tax due.**

19 If a licensee or other person under [section 452A.65](#), a
20 retailer or purchaser under [chapter 423A, 423B, 423C, 423D,](#)
21 [or 423E, or section 423.14, 423.14A, 423.29, 423.31, ~~423.32~~,](#)
22 [or 423.33,](#) or a user under [section 423.34](#), or a permit holder
23 or licensee under [section 453A.13, 453A.16, or 453A.44](#) fails
24 to pay a tax under those sections when due, an officer of a
25 corporation or association, notwithstanding [section 489.304](#),
26 a member or manager of a limited liability company, or a
27 partner of a partnership, having control or supervision of
28 or the authority for remitting the tax payments and having
29 a substantial legal or equitable interest in the ownership
30 of the corporation, association, limited liability company,
31 or partnership, who has intentionally failed to pay the tax
32 is personally liable for the payment of the tax, interest,
33 and penalty due and unpaid. However, [this section](#) shall
34 not apply to taxes on accounts receivable. The dissolution
35 of a corporation, association, limited liability company,

1 or partnership shall not discharge a person's liability for
2 failure to remit the tax due.

3 Sec. 6. Section 423.2, subsection 1, paragraph b, Code 2022,
4 is amended to read as follows:

5 b. Sales of building materials, supplies, and equipment
6 to owners, contractors, subcontractors, or builders for the
7 erection of buildings or the alteration, repair, or improvement
8 of real property are retail sales of tangible personal property
9 in whatever quantity sold. Where the owner, contractor,
10 subcontractor, or builder is also a retailer holding a ~~retail~~
11 sales or use tax permit and transacting retail sales of
12 building materials, supplies, and equipment, the person shall
13 purchase such items of tangible personal property without
14 liability for the tax if such property will be subject to the
15 tax at the time of resale or at the time it is withdrawn from
16 inventory for construction purposes. The sales tax shall be
17 due in the reporting period when the materials, supplies,
18 and equipment are withdrawn from inventory for construction
19 purposes or when sold at retail. The tax shall not be due when
20 materials are withdrawn from inventory for use in construction
21 outside of Iowa and the tax shall not apply to tangible
22 personal property purchased and consumed by the manufacturer as
23 building materials in the performance by the manufacturer or
24 its subcontractor of construction outside of Iowa. The sale
25 of carpeting is not a sale of building materials. The sale of
26 carpeting to owners, contractors, subcontractors, or builders
27 shall be treated as the sale of ordinary tangible personal
28 property and subject to the tax imposed under [this subsection](#)
29 and the use tax.

30 Sec. 7. Section 423.3, subsection 39, paragraph a,
31 subparagraph (2), Code 2022, is amended to read as follows:

32 (2) The sale of all or substantially all of the tangible
33 personal property, or specified digital products, or services
34 held or used by a seller in the course of the seller's trade
35 or business for which the seller is required to hold a sales

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1 or use tax permit when the seller sells or otherwise transfers
2 the trade or business to another person who shall engage in a
3 similar trade or business.

4 Sec. 8. Section 423.3, subsection 80, paragraph d, Code
5 2022, is amended to read as follows:

6 *d.* Subject to the limitations in paragraph “c”, where the
7 owner, contractor, subcontractor, or builder is also a retailer
8 holding a retail sales or use tax permit and transacting
9 retail sales of building materials, supplies, and equipment,
10 the tax shall not be due when materials are withdrawn from
11 inventory for use in construction performed for a designated
12 exempt entity if an exemption certificate is received from such
13 entity.

14 Sec. 9. Section 423.5, subsection 2, Code 2022, is amended
15 to read as follows:

16 2. The excise tax is imposed upon every person using
17 the property within this state until the tax has been paid
18 directly to the county treasurer, the state department of
19 transportation, a retailer, or the department. This tax is
20 imposed on every person using the services or the product of
21 the services in this state until the user has paid the tax
22 either to an Iowa sales or use tax permit holder or to the
23 department.

24 Sec. 10. Section 423.14, subsection 2, paragraph b, Code
25 2022, is amended to read as follows:

26 *b.* The tax upon the use of all tangible personal property
27 and specified digital products other than that enumerated in
28 paragraph “a”, which is sold by a seller who is a retailer or
29 its agent that is not otherwise required to collect sales tax
30 under the provisions of [this chapter](#), may be collected by the
31 retailer or agent and remitted to the department, pursuant to
32 the provisions of paragraph “e”, and [sections 423.24, 423.29,](#)
33 [423.30, ~~423.32~~ 423.31, and 423.33.](#)

34 Sec. 11. Section 423.14A, subsection 3, paragraph c,
35 subparagraph (2), Code 2022, is amended to read as follows:

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1 (2) A marketplace facilitator shall collect sales and
2 use tax on the entire sales price or purchase price paid by
3 a purchaser on each Iowa sale subject to sales and use tax
4 that is made or facilitated by the marketplace facilitator,
5 regardless of whether the marketplace seller for whom an Iowa
6 sale is made or facilitated has or is required to have a ~~retail~~
7 sales or use tax permit or would have been required to collect
8 sales and use tax had the sale not been facilitated by the
9 marketplace facilitator, and regardless of the amount of the
10 sales price or purchase price that will ultimately accrue
11 to or benefit the marketplace facilitator, the marketplace
12 seller, or any other person. This sales and use tax collection
13 responsibility of a marketplace facilitator applies but shall
14 not be limited to sales facilitated through a computer software
15 application, commonly referred to as in-app purchases, or
16 through another specified digital product.

17 Sec. 12. Section 423.31, subsections 1, 3, 5, and 6, Code
18 2022, are amended to read as follows:

19 1. a. ~~Each~~ Except as provided in paragraph "b", each person
20 subject to this section and section 423.36 and in accordance
21 with the provisions of this section and section 423.36 shall,
22 on or before the last day of the month following the close of
23 each calendar ~~quarter~~ month during which such person is or
24 has become or ceased being subject to the provisions of this
25 section and section 423.36, make, sign, and file electronically
26 a return for the calendar ~~quarter~~ month in the form as may be
27 required. Returns shall show information relating to sales
28 prices including tangible personal property, specified digital
29 products, and services converted to the use of such person,
30 the amounts of sales prices excluded and exempt from the tax,
31 the amounts of sales prices subject to tax, a calculation of
32 tax due, and any other information for the period covered by
33 the return as may be required. Returns shall be signed by
34 the retailer or the retailer's authorized agent and must be
35 certified by the retailer to be correct in accordance with

1 forms and rules prescribed by the director. A person required
2 to file a sales or use tax return who is unable to do so may
3 request permission from the director to file a return by
4 another method.

5 b. Notwithstanding paragraph "a", each person subject to
6 this section who collects and remits less than one thousand
7 two hundred dollars in sales or use tax to the department per
8 calendar year may file a return on or before the last day of the
9 month following the close of the calendar year.

10 3. ~~The sales tax forms prescribed by the director shall be~~
11 ~~referred to as "retailers tax deposit". Deposit forms shall~~
12 ~~be signed by the retailer or the retailer's duly authorized~~
13 ~~agent, and shall be duly certified by the retailer or agent to~~
14 ~~be correct.~~ The director may authorize incorporated banks and
15 trust companies or other depositories authorized by law which
16 are depositories or financial agents of the United States,
17 or of this state, to receive any sales or use tax imposed
18 under this chapter, in the manner, at the times, and under
19 the conditions the director prescribes. The director shall
20 prescribe the manner, times, and conditions under which the
21 receipt of the tax by those depositories is to be treated as
22 payment of the tax to the department.

23 5. a. Upon making application and receiving approval
24 from the director, a person and its affiliates that make
25 retail sales of tangible personal property, specified digital
26 products, or taxable enumerated services may make deposits and
27 file a consolidated sales or use tax return for the affiliated
28 group, pursuant to rules adopted by the director. A person and
29 each affiliate that files a consolidated return are jointly and
30 severally liable for all tax, penalty, and interest found due
31 for the tax period for which a consolidated return is filed or
32 required to be filed.

33 b. A business required to file a consolidated sales or use
34 tax return shall file a form entitled "schedule of consolidated
35 business locations" with its quarterly sales or use tax

1 return that shows the taxpayer's consolidated permit number,
2 the permit number for each Iowa business location, the state
3 sales tax amount by business location, and the amount of state
4 sales tax due on goods consumed that are not assigned to a
5 specific business location. Consolidated ~~quarterly~~ sales or
6 use tax returns that are not accompanied by the schedule of
7 consolidated business locations form are considered incomplete
8 and are subject to penalty under [section 421.27](#).

9 6. If necessary or advisable in order to ~~insure~~ ensure
10 the payment of the tax, the director may require returns and
11 payment of the tax to be made for other than ~~quarterly~~ monthly
12 periods, the provisions of [this section](#) or other provision to
13 the contrary notwithstanding.

14 Sec. 13. Section 423.31, subsection 2, Code 2022, is amended
15 by striking the subsection.

16 Sec. 14. Section 423.33, subsection 1, paragraph a, Code
17 2022, is amended to read as follows:

18 a. If a purchaser fails to pay sales tax to the retailer
19 required to collect the tax, then in addition to all of the
20 rights, obligations, and remedies provided, a use tax is
21 payable by the purchaser directly to the department, and
22 sections 423.31, ~~423.32~~, [423.37](#), [423.38](#), [423.39](#), [423.40](#),
23 [423.41](#), and [423.42](#) apply to the purchaser.

24 Sec. 15. Section 423.33, subsection 3, Code 2022, is amended
25 to read as follows:

26 3. *Event sponsor's liability for sales tax.* A person
27 sponsoring a flea market or a craft, antique, coin, or stamp
28 show or similar event shall obtain from every retailer selling
29 tangible personal property, specified digital products, or
30 taxable services at the event proof that the retailer possesses
31 a valid sales or use tax permit or secure from the retailer
32 a statement, taken in good faith, that tangible personal
33 property, specified digital products, or services offered for
34 sale are not subject to sales tax. Failure to do so renders
35 a sponsor of the event liable for payment of any sales tax,

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1 interest, and penalty due and owing from any retailer selling
2 property or services at the event. Sections 423.31, ~~423.32~~,
3 423.37, 423.38, 423.39, 423.40, 423.41, and 423.42 apply to the
4 sponsors. For purposes of this subsection, a "person sponsoring
5 a flea market or a craft, antique, coin, or stamp show or similar
6 event" does not include a marketplace facilitator as defined in
7 section 423.14A, subsection 1, an organization which sponsors
8 an event determined to qualify as an event involving casual
9 sales pursuant to section 423.3, subsection 39, or the state
10 fair or a fair as defined in section 174.1.

11 Sec. 16. Section 423.34, Code 2022, is amended to read as
12 follows:

13 **423.34 Liability of user.**

14 Any person who uses any tangible personal property,
15 specified digital products, or services enumerated in section
16 423.2 upon which the use tax has not been paid, either to the
17 county treasurer or to a retailer or direct to the department
18 as required by this subchapter, shall be liable for the payment
19 of tax, and shall on or before the last day of the month next
20 succeeding each ~~quarterly~~ monthly period pay the use tax upon
21 all tangible personal property, specified digital products,
22 or services used by the person during the preceding ~~quarterly~~
23 monthly period in the manner and accompanied by such returns
24 as the director shall prescribe. All of the provisions of
25 sections ~~423.32~~ 423.31 and 423.33 with reference to the returns
26 and payments shall be applicable to the returns and payments
27 required by this section.

28 Sec. 17. Section 423.36, subsection 4, paragraph b, Code
29 2022, is amended to read as follows:

30 b. If an applicant is making sales outside Iowa for use in
31 this state or furnishing services outside Iowa, the product
32 or result of which will be used in this state, that applicant
33 shall be issued one sales or use tax permit by the department
34 applicable to these out-of-state sales or services.

35 Sec. 18. Section 423.36, subsection 4, Code 2022, is amended

1 by adding the following new paragraph:

2 NEW PARAGRAPH. *c.* If an applicant is required to collect
3 sales or use tax and is not included in the definition of a
4 retailer maintaining a place of business in this state in
5 section 423.1, subsection 48, paragraph "a", subparagraph (1),
6 the applicant shall be issued one sales or use tax permit by
7 the department regardless of the number of locations from which
8 sales are made.

9 Sec. 19. Section 423.36, subsections 7 and 8, Code 2022, are
10 amended to read as follows:

11 7. *a.* Sellers who are not regularly engaged in selling
12 at retail and do not have a permanent place of business, but
13 who are temporarily engaged in selling from trucks, portable
14 roadside stands, concessionaires at state, county, district,
15 or local fairs, carnivals, or the like, shall report and remit
16 the sales tax on a ~~temporary~~ seasonal basis, under rules
17 the director shall provide for the efficient collection of
18 the sales tax. **This subsection** applies to sellers who are
19 temporarily engaged in furnishing services.

20 *b.* Persons engaged in selling tangible personal property,
21 specified digital products, or furnishing services shall not
22 be required to obtain or retain a sales or use tax permit for a
23 place of business at which taxable sales of tangible personal
24 property, specified digital products, or taxable performance of
25 services will not occur.

26 8. The provisions of **subsection 1**, dealing with the lawful
27 right of a retailer to transact business, as applicable, apply
28 to persons having receipts from furnishing services enumerated
29 in **section 423.2**, except that a person holding a permit
30 pursuant to **subsection 1** shall not be required to obtain any
31 separate sales or use tax permit for the purpose of engaging in
32 business involving the services.

33 Sec. 20. Section 423.40, subsections 1, 2, 3, and 5, Code
34 2022, are amended to read as follows:

35 1. In addition to the sales or use tax or additional sales

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1 or use tax, the taxpayer shall pay a penalty as provided in
2 section 421.27. The taxpayer shall also pay interest on the
3 sales or use tax or additional sales or use tax at the rate
4 in effect under [section 421.7](#) for each month counting each
5 fraction of a month as an entire month, computed from the date
6 the ~~semimonthly or monthly tax deposit form~~ or return was
7 required to be filed. The penalty and interest shall be paid
8 to the department and disposed of in the same manner as other
9 receipts under [this subchapter](#). Unpaid penalties and interest
10 may be enforced in the same manner as the taxes imposed by this
11 chapter.

12 2. a. Any person who knowingly sells tangible personal
13 property, specified digital products, tickets or admissions
14 to places of amusement and athletic events, or gas, water,
15 electricity, or communication service at retail, or engages in
16 the furnishing of services enumerated in [section 423.2](#), in this
17 state without procuring a permit to collect tax, as provided
18 in [section 423.36](#), or who violates [section 423.24](#) and the
19 officers of any corporation who so act are guilty of a serious
20 misdemeanor.

21 b. A person who knowingly sells tangible personal property,
22 specified digital products, tickets or admissions to places of
23 amusement and athletic events, or gas, water, electricity, or
24 communication service at retail, or engages in the furnishing
25 of services enumerated in [section 423.2](#), in this state after
26 the person's sales or use tax permit has been revoked and
27 before it has been restored as provided in [section 423.36](#),
28 subsection 6, and the officers of any corporation who so act
29 are guilty of an aggravated misdemeanor.

30 3. A person who willfully attempts in any manner to evade
31 any tax imposed by [this chapter](#) or the payment of the tax or
32 a person who makes or causes to be made a false or fraudulent
33 ~~semimonthly or monthly tax deposit form~~ or return with intent
34 to evade any tax imposed by [subchapter II](#) or [III](#) or the payment
35 of the tax is guilty of a class "D" felony.

1 5. A person required to pay sales or use tax, or to make,
2 sign, or file a ~~tax deposit form~~ or return or supplemental
3 return, who willfully makes a false or fraudulent ~~tax deposit~~
4 ~~form~~ or return, or willfully fails to pay at least ninety
5 percent of the tax or willfully fails to make, sign, or file
6 the ~~tax deposit form~~ or return, at the time required by law, is
7 guilty of a fraudulent practice.

8 Sec. 21. Section 423.45, subsection 4, paragraph b, Code
9 2022, is amended to read as follows:

10 b. The sales tax liability for all sales of tangible
11 personal property and specified digital products and all sales
12 of services is upon the seller and the purchaser unless the
13 seller takes from the purchaser a valid exemption certificate
14 stating under penalty of perjury that the purchase is for a
15 nontaxable purpose and is not a retail sale as defined in
16 section 423.1, or the seller is not obligated to collect tax
17 due, or unless the seller takes a fuel exemption certificate
18 pursuant to [subsection 5](#). If the tangible personal property,
19 specified digital products, or services are purchased tax free
20 pursuant to a valid exemption certificate and the tangible
21 personal property, specified digital products, or services are
22 used or disposed of by the purchaser in a nonexempt manner, the
23 purchaser is solely liable for the taxes and shall remit the
24 taxes directly to the department and [sections 423.31](#), ~~[423.32](#)~~,
25 [423.37](#), [423.38](#), [423.39](#), [423.40](#), [423.41](#), and [423.42](#) shall apply
26 to the purchaser.

27 Sec. 22. Section 423.45, subsection 5, paragraph c, Code
28 2022, is amended to read as follows:

29 c. The seller may accept a completed fuel exemption
30 certificate, as prepared by the purchaser, for three
31 years unless the purchaser files a new completed exemption
32 certificate. If the fuel is purchased tax free pursuant to a
33 fuel exemption certificate which is taken by the seller, and
34 the fuel is used or disposed of by the purchaser in a nonexempt
35 manner, the purchaser is solely liable for the taxes, and shall

1 remit the taxes directly to the department and [sections 423.31,](#)
2 ~~423.32,~~ [423.37, 423.38, 423.39, 423.40, 423.41, and 423.42](#)
3 shall apply to the purchaser.

4 Sec. 23. Section 423.50, subsection 1, Code 2022, is amended
5 to read as follows:

6 1. Only one remittance of tax per return is required ~~except~~
7 ~~as provided in this subsection.~~ Sellers that collect more
8 than thirty thousand dollars in sales and use taxes for this
9 state during the preceding calendar year shall be required to
10 make additional remittances as required under rules adopted by
11 the director. The filing of a return is not required with an
12 additional remittance.

13 Sec. 24. Section 423.57, Code 2022, is amended to read as
14 follows:

15 **423.57 Statutes applicable.**

16 The director shall administer [this subchapter](#) as it relates
17 to the taxes imposed in [this chapter](#) in the same manner and
18 subject to all the provisions of, and all of the powers,
19 duties, authority, and restrictions contained in sections
20 423.14, [423.14A, 423.14B, 423.15, 423.16, 423.17, 423.19,](#)
21 [423.20, 423.21, 423.22, 423.23, 423.24, 423.25, 423.29, 423.31,](#)
22 ~~423.32,~~ [423.33, 423.34, 423.34A, 423.35, 423.37, 423.38,](#)
23 [423.39, 423.40, 423.41, and 423.42,](#) section 423.43, subsection
24 1, and [sections 423.45, 423.46, and 423.47.](#)

25 Sec. 25. Section 423.58, Code 2022, is amended to read as
26 follows:

27 **423.58 Collection, permit, and tax return exemption for**
28 **certain out-of-state businesses.**

29 Notwithstanding [sections 423.14, 423.14A, 423.14B, 423.29,](#)
30 [423.31, 423.32, and \[423.36,\]\(#\) a person meeting the requirements
31 of \[section 29C.24\]\(#\) is not required to obtain a sales or use tax
32 permit, collect and remit sales and use tax, or make and file
33 applicable sales or use tax returns, as provided in section
34 29C.24, subsection 3, paragraph "a", subparagraph \(2\).](#)

35 Sec. 26. Section 423A.6, subsection 4, Code 2022, is amended

1 to read as follows:

2 4. Section 422.25, subsection 4, sections 422.30, 422.67,
3 and 422.68, section 422.69, subsection 1, sections 422.70,
4 422.71, 422.72, 422.74, and 422.75, section 423.14, subsection
5 1, and sections 423.23, 423.24, 423.25, 423.31, 423.33,
6 423.35, 423.37 through 423.42, and 423.47, consistent with the
7 provisions of this chapter, apply with respect to the taxes
8 authorized under this chapter, in the same manner and with the
9 same effect as if the state and local hotel and motel taxes
10 were retail sales taxes within the meaning of those statutes.
11 Notwithstanding this subsection, the director shall provide
12 for ~~quarterly~~ monthly filing of returns and for other than
13 ~~quarterly~~ monthly filing of returns both as prescribed in
14 section 423.31. The director may require all persons who are
15 engaged in the business of deriving any sales price subject
16 to tax under this chapter to register with the department.
17 All taxes collected under this chapter by a retailer, lodging
18 provider, lodging facilitator, lodging platform, or any other
19 person are deemed to be held in trust for the state of Iowa and
20 the local jurisdictions imposing the taxes.

21 Sec. 27. Section 423B.5, subsection 3, Code 2022, is amended
22 to read as follows:

23 3. A tax permit other than the state sales or use tax permit
24 required under section 423.36 shall not be required by local
25 authorities.

26 Sec. 28. Section 423B.6, subsection 2, paragraph c, Code
27 2022, is amended to read as follows:

28 c. Frequency of deposits and ~~quarterly~~ monthly reports of a
29 local sales and services tax with the department of revenue are
30 governed by the tax provisions in section 423.31. Local tax
31 collections shall not be included in computation of the total
32 tax to determine frequency of filing under section 423.31.

33 Sec. 29. Section 423C.4, Code 2022, is amended to read as
34 follows:

35 **423C.4 Administration and enforcement.**

1 All powers and requirements of the director of revenue
2 to administer the state sales tax law under [chapter 423](#) are
3 applicable to the administration of the tax imposed under
4 section 423C.3, including but not limited to section 422.25,
5 subsection 4, [sections 422.30, 422.67, and 422.68](#), section
6 422.69, subsection 1, [sections 422.70 through 422.75](#), section
7 423.14, subsection 1, and [sections 423.15, 423.23, 423.24,](#)
8 [423.25, 423.31, 423.33, 423.35 and 423.37 through 423.42,](#)
9 [423.45, 423.46, and 423.47](#). However, as an exception to the
10 powers specified in [section 423.31](#), the director shall only
11 require the filing of ~~quarterly~~ monthly reports.

12 Sec. 30. Section 423D.4, subsection 3, Code 2022, is amended
13 to read as follows:

14 3. [Section 422.25, subsection 4, sections 422.30, 422.67,](#)
15 [and 422.68, section 422.69, subsection 1, sections 422.70,](#)
16 [422.71, 422.72, 422.74, and 422.75,](#) section 423.14, subsection
17 1, and [sections 423.23, 423.24, 423.25, 423.31 through](#)
18 [423.35, 423.37 through 423.42, and 423.47,](#) consistent with
19 the provisions of [this chapter](#), apply with respect to the tax
20 authorized under [this chapter](#), in the same manner and with the
21 same effect as if the excise taxes on equipment sales or use
22 were retail sales taxes within the meaning of those statutes.
23 Notwithstanding [this subsection](#), the director shall provide
24 for ~~quarterly~~ monthly filing of returns and for other than
25 ~~quarterly~~ monthly filing of returns both as prescribed in
26 section 423.31. All taxes collected under [this chapter](#) by a
27 retailer or any user are deemed to be held in trust for the
28 state of Iowa.

29 Sec. 31. Section 423G.5, subsection 3, Code 2022, is amended
30 to read as follows:

31 3. [Section 422.25, subsection 4, sections 422.30, 422.67,](#)
32 [and 422.68, section 422.69, subsection 1, sections 422.70,](#)
33 [422.71, 422.72, 422.74, and 422.75,](#) section 423.14, subsection
34 1, and [sections 423.23, 423.24, 423.25, 423.31 through](#)
35 [423.35, 423.37 through 423.42, and 423.47,](#) consistent with the

1 provisions of [this chapter](#), shall apply with respect to the tax
2 authorized under [this chapter](#), in the same manner and with the
3 same effect as if the excise taxes on the sale or furnishing of
4 a water service were retail sales taxes within the meaning of
5 those statutes. Notwithstanding [this subsection](#), the director
6 shall provide for ~~quarterly~~ monthly filing of returns and
7 for other than ~~quarterly~~ monthly filing of returns both as
8 prescribed in [section 423.31](#). All taxes collected under this
9 chapter by a retailer or any user are deemed to be held in trust
10 for the state of Iowa.

11 Sec. 32. Section 728.1, subsection 6, Code 2022, is amended
12 to read as follows:

13 6. "*Place of business*" means the premises of a business
14 required to obtain a sales or use tax permit pursuant to
15 chapter 423, the premises of a nonprofit or not-for-profit
16 organization, and the premises of an establishment which is
17 open to the public at large or where entrance is limited by a
18 cover charge or membership requirement.

19 Sec. 33. Section 728.5, subsection 1, unnumbered paragraph
20 1, Code 2022, is amended to read as follows:

21 An owner, manager, or person who exercises direct control
22 over a place of business required to obtain a sales or use tax
23 permit shall be guilty of a serious misdemeanor under any of
24 the following circumstances:

25 Sec. 34. REPEAL. Section 423.32, Code 2022, is repealed.

26 Sec. 35. IMPLEMENTATION — EMERGENCY RULES. The department
27 of revenue may adopt emergency rules under section 17A.4,
28 subsection 3, and section 17A.5, subsection 2, paragraph "b",
29 to implement the provisions of this division of this Act and
30 the rules shall be effective immediately upon filing unless
31 a later date is specified in the rules. Any rules adopted
32 in accordance with this section shall also be published as a
33 notice of intended action as provided in section 17A.4.

34 Sec. 36. EFFECTIVE DATE. The following, being deemed of
35 immediate importance, takes effect upon enactment:

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1 The section of this division of this Act enacting emergency
2 rules relating to the implementation of this division of this
3 Act.

4 DIVISION II

5 DISTRIBUTIONS OF REVENUE TO LOCAL GOVERNMENTS AND SCHOOL
6 DISTRICTS

7 Sec. 37. Section 423B.7, subsection 2, paragraph a, Code
8 2022, is amended to read as follows:

9 a. The director of revenue by ~~August 15 of each fiscal~~
10 year the last day of each month shall ~~send~~ transfer to each
11 city or county where the local option tax is imposed, ~~an~~
12 ~~estimate of the amount of tax moneys~~ remitted to the department
13 attributable to each city or county will receive for the year
14 ~~and for each month of the year~~ from the preceding month. ~~At the~~
15 ~~end of each month, the director may revise the estimates for~~
16 ~~the year and remaining months.~~

17 Sec. 38. Section 423B.7, subsection 2, paragraphs b and c,
18 Code 2022, are amended by striking the paragraphs.

19 Sec. 39. Section 423F.2, subsection 4, paragraph a, Code
20 2022, is amended to read as follows:

21 a. The director of revenue by ~~August 15 of each fiscal year~~
22 the last day of each month shall ~~send~~ transfer to each school
23 district ~~an estimate of the amount of tax moneys~~ remitted
24 to the department attributable to each school district will
25 ~~receive for the year and for each month of the year~~ from the
26 preceding month. ~~At the end of each month, the director may~~
27 ~~revise the estimates for the year and remaining months.~~

28 Sec. 40. Section 423F.2, subsection 4, paragraph b, Code
29 2022, is amended by striking the paragraph and inserting in
30 lieu thereof the following:

31 b. On or before August 15 of each fiscal year the director
32 of revenue shall provide to each school district an estimate
33 of the amount of tax moneys to be distributed to each school
34 district for the current fiscal year.

35 Sec. 41. Section 423F.2, subsection 4, paragraph c, Code

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1 2022, is amended by striking the paragraph.

2 Sec. 42. TRANSITION PROVISION FOR LOCAL OPTION SALES TAX
3 AND SECURING AN ADVANCED VISION FOR EDUCATION — TRANSFER
4 AMOUNTS. Notwithstanding any other provision of law to the
5 contrary, the department of revenue shall estimate monthly
6 local option sales tax and securing an advanced vision for
7 education transfer amounts through the end of the 2022 calendar
8 year. The department of revenue shall transfer estimated
9 amounts to each local government or school district for the
10 months of July, August, and September 2022. Beginning with the
11 October 2022 transfer, the department shall not use estimated
12 amounts and shall transfer the amount of tax attributable to
13 each local government or school district for the tax remitted
14 in September 2022. Any adjustment amount that is necessary to
15 the July, August, or September 2022 estimated transfer amount
16 to reflect the accurate attributable amount shall be made by
17 the department of revenue or the local government or school
18 district by the close of business on December 30, 2022.

19 DIVISION III

20 LIABILITY OF SELLERS USING CERTIFIED SERVICE PROVIDER

21 Sec. 43. Section 423.48, subsection 3, paragraph a, Code
22 2022, is amended to read as follows:

23 a. A model 1 seller's obligation to calculate, collect, and
24 remit sales and use taxes shall be performed by its certified
25 service provider, except for the seller's obligation to remit
26 tax on its own purchases. As the seller's agent, the certified
27 service provider is liable for its model 1 seller's sales
28 and use tax due Iowa on all sales transactions it processes
29 for the seller except as set out in [this section](#). A seller
30 that contracts with a certified service provider is not
31 liable to the state for sales or use tax due on transactions
32 processed by the certified service provider unless the seller
33 ~~misrepresents the types of items or services it sells or~~
34 ~~commits fraud~~ certified service provider establishes that
35 the certified service provider is not liable in accordance

1 with the agreement. In the absence of ~~probable cause to~~
2 ~~believe that the seller has committed fraud or made a material~~
3 ~~misrepresentation~~ liability relief established by the certified
4 service provider, the seller is not subject to audit on the
5 transactions processed by the certified service provider.
6 A model 1 seller is subject to audit for transactions not
7 processed by the certified service provider. The director is
8 authorized to perform a system check of the model 1 seller and
9 review the seller's procedures to determine if the certified
10 service provider's system is functioning properly and the
11 extent to which the seller's transactions are being processed
12 by the certified service provider.

13 DIVISION IV

14 AUTHORITY TO CANCEL VARIOUS PERMITS ISSUED BY THE DEPARTMENT

15 Sec. 44. Section 421.17, Code 2022, is amended by adding the
16 following new subsection:

17 NEW SUBSECTION. 37. Notwithstanding any other provision
18 of law to the contrary, to cancel the following permits upon
19 verification by the department of revenue the permits are no
20 longer in use: income tax withholding, sales or use tax, or
21 motor fuel tax.

22 DIVISION V

23 ECONOMIC DEVELOPMENT AUTHORITY SALES AND USE TAX REFUND

24 INCENTIVES

25 Sec. 45. Section 15.331A, subsection 2, Code 2022, is
26 amended to read as follows:

27 2. To receive the refund, a claim shall be filed by the
28 eligible business with the department of revenue as follows:
29 a. The contractor or subcontractor shall state under oath,
30 on forms provided by the department of revenue, the amount of
31 the sales of tangible personal property or services rendered,
32 furnished, or performed including water, sewer, gas, and
33 electric utility services upon which sales or use tax has been
34 paid prior to the ~~project~~ contract completion, and shall file
35 the forms with the eligible business before final settlement

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1 is made.

2 **b.** The eligible business shall, ~~not more than one year after~~
3 ~~project contract~~ completion, make application to the department
4 of revenue for any refund of the amount of the sales and use
5 taxes paid pursuant to [chapter 423](#) upon any tangible personal
6 property, or services rendered, furnished, or performed,
7 including water, sewer, gas, and electric utility services.
8 The application shall be made in the manner and upon forms to
9 be provided by the department of revenue, and the department of
10 revenue shall audit the claim and, if approved, issue a warrant
11 to the eligible business in the amount of the sales or use tax
12 which has been paid to the state of Iowa under a contract. The
13 application must be made within one year after the project
14 completion date. A claim filed by the eligible business in
15 accordance with [this section](#) shall not be denied by reason of a
16 limitation provision set forth in [chapter 421](#) or [423](#).

17 **c.** The eligible business shall inform the department of
18 revenue in writing after ~~project contract~~ completion. For
19 ~~purposes of this section,~~ “~~project completion~~” means the
20 ~~first date upon which the average annualized production of~~
21 ~~finished product for the preceding ninety-day period at the~~
22 ~~manufacturing facility operated by the eligible business is~~
23 ~~at least fifty percent of the initial design capacity of the~~
24 ~~facility.~~

25 Sec. 46. Section 15.331A, Code 2022, is amended by adding
26 the following new subsection:

27 NEW SUBSECTION. 4. For purposes of this section, “*contract*
28 *completion*” means the date of completion of a written contract
29 relating to the construction or equipping of the facility that
30 is part of the project of the eligible business.

31 Sec. 47. Section 15.331C, subsections 1 and 2, Code 2022,
32 are amended to read as follows:

33 1. An In lieu of the sales and use tax refund provided
34 in section 15.331A, an eligible business may claim a tax
35 credit in an amount equal to the sales and use taxes paid by a

1 third-party developer under [chapter 423](#) for gas, electricity,
2 water, or sewer utility services, goods, wares, or merchandise,
3 or on services rendered, furnished, or performed to or for a
4 contractor or subcontractor and used in the fulfillment of a
5 written contract relating to the construction or equipping of
6 a facility of the eligible business. Taxes attributable to
7 intangible property and furniture and furnishings shall not
8 be included, but taxes attributable to racks, shelving, and
9 conveyor equipment to be used in a warehouse or distribution
10 center shall be included. Any credit in excess of the tax
11 liability for the tax year may be credited to the tax liability
12 for the following seven years or until depleted, whichever
13 occurs earlier. An eligible business may elect to receive a
14 refund of all or a portion of an unused tax credit.

15 2. A third-party developer shall state under oath, on
16 forms provided by the department of revenue, the amount of
17 taxes paid as described in [subsection 1](#) and shall submit such
18 forms to the department of revenue. The taxes paid shall be
19 itemized to allow identification of the taxes attributable
20 to racks, shelving, and conveyor equipment to be used in a
21 warehouse or distribution center. The eligible business
22 shall make application to the department of revenue in the
23 manner and form prescribed by the department of revenue, and
24 within the time for applying for a sales and use tax refund
25 under section 15.331A. After timely receiving the form from
26 the third-party developer and application from the eligible
27 business, the department of revenue shall audit the claim
28 and, if approved, shall issue a tax credit certificate to the
29 eligible business equal to the sales and use taxes paid by a
30 third-party developer under [chapter 423](#) for gas, electricity,
31 water, or sewer utility services, goods, wares, or merchandise,
32 or on services rendered, furnished, or performed to or for a
33 contractor or subcontractor and used in the fulfillment of a
34 written contract relating to the construction or equipping
35 of a facility. The department of revenue shall also issue a

1 tax credit certificate to the eligible business equal to the
2 taxes paid and attributable to racks, shelving, and conveyor
3 equipment to be used in a warehouse or distribution center.
4 The aggregate combined total amount of tax refunds under
5 section 15.331A for taxes paid and attributable to racks,
6 shelving, and conveyor equipment to be used in a warehouse or
7 distribution center and of tax credit certificates issued by
8 the department of revenue under this section for the taxes paid
9 and attributable to racks, shelving, and conveyor equipment
10 to be used in a warehouse or distribution center shall not
11 exceed five hundred thousand dollars in a fiscal year. If
12 an applicant for a tax credit certificate does not receive
13 a refund or certificate for the taxes paid and attributable
14 to racks, shelving, and conveyor equipment to be used in a
15 warehouse or distribution center, the application shall be
16 considered in succeeding fiscal years. The eligible business
17 shall not claim a tax credit under **this section** unless a tax
18 credit certificate issued by the department of revenue is
19 included with the taxpayer's tax return for the tax year for
20 which the tax credit is claimed. A tax credit certificate
21 shall contain the eligible business's name, address, tax
22 identification number, the amount of the tax credit, and other
23 information deemed necessary by the department of revenue.

24 Sec. 48. Section 15.355, subsection 2, Code 2022, is amended
25 by striking the subsection and inserting in lieu thereof the
26 following:

27 2. a. A housing business may claim a refund of the sales
28 and use taxes paid under chapter 423 prior to the completion
29 of the housing project that are directly related to a housing
30 project and specified in the agreement.

31 b. To receive a refund, a claim shall be filed by the
32 housing business with the department of revenue as follows:

33 (1) The contractor or subcontractor shall state under oath,
34 on forms provided by the department of revenue, the amount
35 of sales and use taxes paid under chapter 423 prior to the

1 completion of the housing project that are directly related to
2 a housing project and specified in the agreement.

3 (2) The contractor or subcontractor shall file the forms
4 with the housing business before final settlement is made.

5 (3) (a) The housing business shall, after the agreement
6 completion date, make application to the department of revenue
7 for any refund of the amount of sales and use taxes paid under
8 chapter 423 prior to the completion of the housing project that
9 were directly related to a housing project and specified in the
10 agreement. The application shall be made in the manner and
11 upon forms to be provided by the department of revenue. The
12 department of revenue shall audit the claim and, if approved,
13 issue a warrant to the housing business. The application
14 must be made within one year after the agreement completion
15 date. A claim filed by the housing business in accordance with
16 this subsection shall not be denied by reason of a limitation
17 provision set forth in chapter 421 or 423.

18 (b) For purposes of this subparagraph, *"agreement completion*
19 *date"* means the date on which the authority notifies the
20 department of revenue that all applicable requirements of the
21 agreement entered into pursuant to section 15.354, subsection
22 3, paragraph "a", and all applicable requirements of this part,
23 including the rules the authority and the department of revenue
24 adopt pursuant to section 15.356, are satisfied.

25 c. A contractor or subcontractor who willfully makes a
26 false claim under oath in violation of the provisions of this
27 subsection shall be guilty of a simple misdemeanor and in
28 addition to any other penalty, the contractor or subcontractor
29 shall be liable for the payment of the tax and any applicable
30 penalty and interest.

31 Sec. 49. EFFECTIVE DATE. This division of this Act, being
32 deemed of immediate importance, takes effect upon enactment.

33 Sec. 50. APPLICABILITY. This division of this Act applies
34 to claims for refunds filed on or after the effective date of
35 this division of this Act.

DIVISION VI

MOTOR FUEL REPORTING REQUIREMENT — PENALTY

1
2
3 Sec. 51. Section 452A.33, subsection 1, paragraph c, Code
4 2022, is amended to read as follows:

5 c. (1) The retail dealer shall prepare and ~~submit~~ file
6 the report with the department in a manner and according to
7 procedures required by the department in compliance with
8 section 452A.61. However, the department may require that the
9 retail dealer file the report with the department by electronic
10 transmission. The department may require that retail dealers
11 report to the department on an annual, quarterly, or monthly
12 basis. The department, upon application by a retail dealer,
13 may grant a reasonable extension of time to file the report.

14 (2) If a retail dealer fails to file the report as required
15 by this section or fails to maintain records required to file
16 the report the department may impose a civil penalty of not
17 more than one hundred dollars per occurrence in addition to any
18 other penalty provided by law. The penalty amount shall be
19 deposited into the general fund of the state.>

20 2. Title page, by striking lines 1 through 8 and inserting
21 <An Act relating to sales, use, and motor vehicle fuel
22 taxes administered by the department of revenue including
23 distributions to local governments and school districts, the
24 liability of sellers, tax refund and tax credit incentives,
25 and motor fuel tax reporting modifications, and providing
26 penalties, and including effective date and applicability
27 provisions.>

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