



CHESTER J. CULVER
GOVERNOR

OFFICE OF THE GOVERNOR

PATTY JUDGE
LT. GOVERNOR

May 24, 2007

The Honorable Michael Mauro
Secretary of State
State Capitol Building
LOCAL

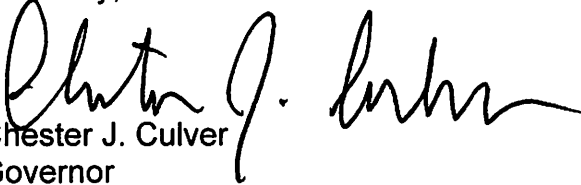
Dear Mr. Secretary:

I hereby transmit:

Senate File 592, an Act relating to the streamlined sales and use tax agreement and administration of the tax and related laws by the department of revenue, including administration of sales and use taxes, and providing an effective date.

The above Senate File is hereby approved this date.

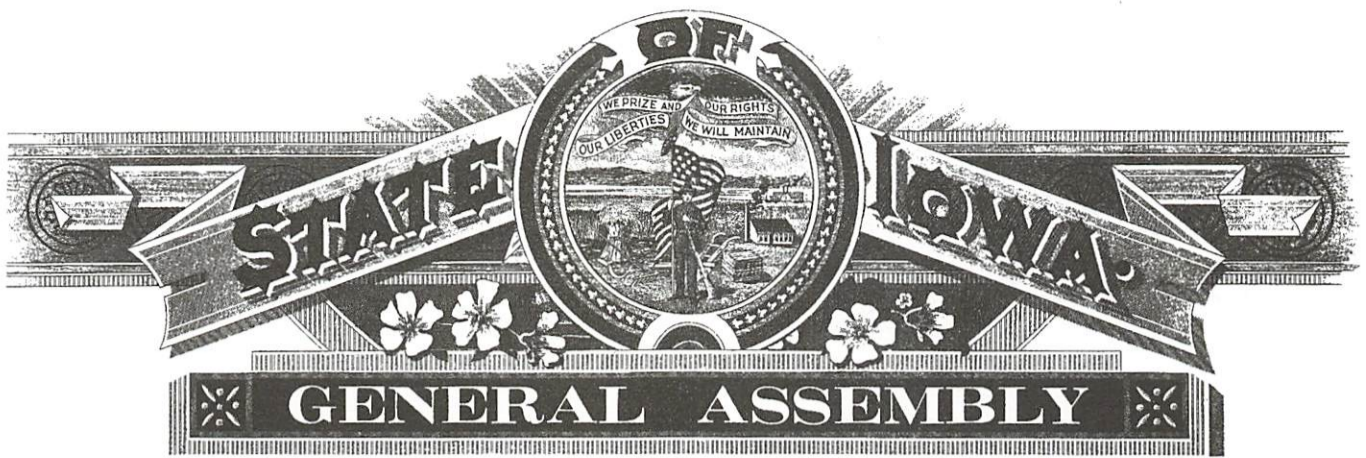
Sincerely,


Chester J. Culver
Governor

CJC:bdj

cc: Secretary of the Senate
Chief Clerk of the House





SENATE FILE 592

AN ACT

RELATING TO THE STREAMLINED SALES AND USE TAX AGREEMENT AND ADMINISTRATION OF THE TAX AND RELATED LAWS BY THE DEPARTMENT OF REVENUE, INCLUDING ADMINISTRATION OF SALES AND USE TAXES, AND PROVIDING AN EFFECTIVE DATE.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 423.1, subsection 52, Code 2007, is amended to read as follows:

52. "State" means any state of the United States, ~~and the~~ District of Columbia, and Puerto Rico.

Sec. 2. Section 423.16, subsection 3, Code 2007, is amended by striking the subsection.

Sec. 3. Section 423.33, subsection 1, Code 2007, is amended to read as follows:

1. LIABILITY OF PURCHASER FOR SALES TAX. If a purchaser fails to pay sales tax to the retailer required to collect the tax, then in addition to all of the rights, obligations, and remedies provided, the tax is payable by the purchaser directly to the department, and sections 423.31, 423.32, 423.37, 423.38, 423.39, 423.40, 423.41, and 423.42 apply to the purchaser. For failure to pay, the retailer and purchaser are liable, unless the circumstances described in section 421.60, subsection 2, paragraph "m", section 423.34A, or section 423.45, subsection 4, paragraph "b" or "e", or subsection 5, paragraph "c" or "e", are applicable.

Sec. 4. NEW SECTION. 423.34A EXCLUSION FROM LIABILITY FOR PURCHASERS.

A purchaser is relieved of liability for payment of state sales or use tax, for payment of any local option sales tax, for payment of interest, or for payment of any penalty for

nonpayment of tax which nonpayment is not fraudulent, willful, or intentional, under the following circumstances:

1. The purchaser, the purchaser's seller or certified service provider, or the purchaser holding a direct pay permit relied on erroneous data contained in this state's taxability matrix completed pursuant to the agreement.

2. The purchaser, the purchaser's seller or certified service provider, or the purchaser holding a direct pay permit relied on erroneous data provided by the state with regard to tax rates, boundaries, or taxing jurisdiction assignments.

3. The purchaser used a database described in section 423.52, subsection 1, or section 423.55 and relied on erroneous data about tax rates, boundaries, or taxing jurisdiction assignments contained in that database.

Sec. 5. Section 423.57, Code 2007, is amended to read as follows:

423.57 STATUTES APPLICABLE.

The director shall administer this subchapter as it relates to the taxes imposed in this chapter in the same manner and subject to all the provisions of, and all of the powers, duties, authority, and restrictions contained in sections 423.14, 423.15, 423.16, 423.17, ~~423.18~~, 423.19, 423.20, 423.21, 423.22, 423.23, 423.24, 423.25, 423.28, 423.29, 423.31, 423.32, 423.33, 423.34, 423.35, 423.37, 423.38, 423.39, 423.40, 423.41, and 423.42, section 423.43, subsection 3, and sections 423.45, 423.46, and 423.47.

Sec. 6. Section 423.57, Code 2007, as amended by this Act, is amended to read as follows:

423.57 STATUTES APPLICABLE.

The director shall administer this subchapter as it relates to the taxes imposed in this chapter in the same manner and subject to all the provisions of, and all of the powers, duties, authority, and restrictions contained in sections 423.14, 423.15, 423.16, 423.17, 423.19, 423.20, 423.21, 423.22, 423.23, 423.24, 423.25, 423.28, 423.29, 423.31, 423.32, 423.33, 423.34, 423.34A, 423.35, 423.37, 423.38, 423.39, 423.40, 423.41, and 423.42, section 423.43, subsection 3, and sections 423.45, 423.46, and 423.47.

Sec. 7. Section 423.51, subsection 2, paragraph d, as enacted by 2006 Iowa Acts, chapter 1158, section 77, is amended by striking the paragraph.

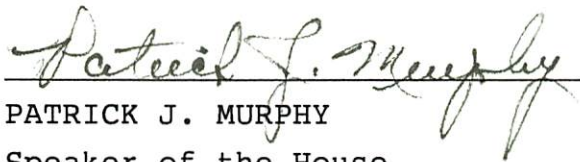
Sec. 8. 2006 Iowa Acts, chapter 1158, section 71, is repealed.

Sec. 9. Section 423.18, Code 2007, is repealed.

Sec. 10. EFFECTIVE DATE. The sections of this Act amending section 423.33 and section 423.57, as amended by this Act, and enacting section 423.34A take effect on January 1, 2009.



JOHN P. KIBBIE
President of the Senate



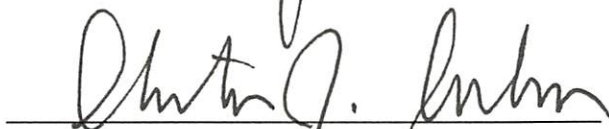
PATRICK J. MURPHY
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 592, Eighty-second General Assembly.



MICHAEL E. MARSHALL
Secretary of the Senate

Approved May 24th, 2007



CHESTER J. CULVER
Governor