

February 27, 1969
Ways and Means, *Pass as amended 3-20*
Dev. " " " 4-2, Pass as amended 4-11

HOUSE FILE 400

By TIEDEN

Passed House, Date *3-26-69* Passed Senate, Date *5-2-69*

Vote: Ayes *110* Nays *1* Vote: Ayes *51* Nays *2*

Approved *5-14-69*

*Passed as amended by
Senate 5-6, 100-2.*

A BILL FOR

- 1 An Act relating to the personal property tax credit, and the
- 2 affidavit required therefor.
- 3 *Be It Enacted by the General Assembly of the State of Iowa:*
- 4 Section 1. Chapter three hundred fifty-six (356), section
- 5 forty-two (42), Acts of the Sixty-second General Assembly, is
- 6 hereby amended by adding the following thereto:
- 7 "Each assessor in the state must compile by taxing districts
- 8 each year and submit to the state comptroller the valuations
- 9 for 1967, and add to or subtract from these figures only on
- 10 the following basis:
- 11 a. Additional due to equalization.
- 12 b. Deduction due to equalization.
- 13 c. Additional personal property brought into each assess-
- 14 ing district, but not to include replacement of personal prop-
- 15 erty with like personal property, in accordance with section
- 16 four hundred forty-one point twenty-one (441.21) of the Code.
- 17 As used herein 'like personal property' means personal prop-
- 18 erty of the same type, owned by the same person, and of equal
- 19 value.
- 20 d. Deduct personal property removed from each district by
- 21 reason of transportation therefrom, personal property destroyed,
- 22 and personal property consumed or disposed of and not replaced.
- 23 If any assessor refuses to comply with this section, credits
- 24 shall be denied to the county."
- 25 Sec. 2. Chapter three hundred fifty-six (356), section

1 forty-three (43), Acts of the Sixty-second General Assembly,
2 is hereby amended as follows:

3 1. By striking all of lines one (1) and two (2) and in-
4 serting in lieu thereof the following:

5 "Each partnership, corporation, association, trade name,
6 business or business name, joint tenants, joint venture, or
7 farm unit consisting of husband, wife, and minor children
8 shall be considered as one entity. Each tax-paying entity is
9 allowed a credit on personal property tax for the amount of
10 his assessed value up to a maximum of two thousand five hun-
11 dred."

12 2. By striking all after the period in line ten (10) and
13 inserting in lieu thereof the following:

14 "Each year, on or before July first, the taxpayer shall de-
15 liver to the assessor and state by affidavit or affidavits
16 filed in each county where his personal property is situated,
17 that he has not claimed a total personal property tax credit
18 in all counties in excess of a total of two thousand five hun-
19 dred dollars assessed valuation.

20 It shall be the duty of the assessor to see that no taxpayer
21 can split his personal property in order to get excess personal
22 property tax credits.

23 If any person fails to make claim for the credits provided
24 for under this chapter as herein required, he shall be deemed
25 to have waived the personal property tax credit for the year
26 in which he failed to make claim.

27 Any person making a false affidavit for the purpose of ob-
28 taining the exemption provided for in this section, or who
29 knowingly receives such exemption without being legally en-
30 titled thereto, or who makes claim for exemption of more than
31 two thousand five hundred dollars in the state shall be guilty
32 of a misdemeanor and upon conviction thereof shall be fined not
33 more than five hundred dollars or imprisoned in the county jail
34 for not more than ninety days or be both so fined and imprisoned."

35 Sec. 3. Chapter three hundred fifty-six (356), section forty-

1 four (44), Acts of the Sixty-second General Assembly, is
2 hereby amended by adding thereto the following:

3 "Assessments granted in 1967 shall be the controlling
4 factor and property may not be split after that date in order
5 to obtain additional credits. The penalty for violation of
6 this section shall be the same as for violation of section
7 forty-three (43) of this chapter."

8 Sec. 4. Chapter three hundred fifty-six (356), section
9 forty-five (45), Acts of the Sixty-second General Assembly, is
10 hereby amended by adding thereto the following:

11 "The auditor of state shall check the exemptions allowed and
12 in the event any claim is allowed, and subsequently reversed
13 on appeal, any credit made thereunder shall be void, and the
14 amount of such credit shall be charged against the property in
15 question, and the department of revenue, the county auditor and
16 the county treasurer shall be directed to correct their books
17 and records accordingly. The amount of such erroneous credit,
18 when collected, shall be returned to the state comptroller."

19 Sec. 5. Chapter three hundred fifty-six (356), section
20 forty-eight (48), Acts of the Sixty-second General Assembly,
21 is hereby amended by adding thereto the following:

22 "Any person making a false affidavit for the purpose of ob-
23 taining the exemption provided for in this section, or who
24 knowingly receives such exemption without being legally entitled
25 thereto, or who makes claim for exemption in more than one
26 county in the state shall be guilty of a misdemeanor and upon
27 conviction thereof shall be fined not more than one hundred
28 dollars or imprisoned in the county jail for not more than
29 thirty days or be both so fined and imprisoned."

EXPLANATION OF HOUSE FILE 400

This bill attempts to provide and insure that each person entitled there-
to shall receive only one personal property tax credit having a maximum
value of \$2500 assessed valuation. Dates are established for filing affi-
davits to receive such tax credit.

- 1 Amend House File 400, section 2, subsection 1, page 2,
- 2 line 8, by striking the period and inserting in lieu
- 3 thereof the following: ", unless husband, wife, or
- 4 minor children own farm units separately and file
- 5 separate social security returns."

Filed - *Adopted 3-26*
March 20, 1969

COMMITTEE ON WAYS AND MEANS
ELMER DEN HERDER, Chairman

-
- 1 Amend House File 400, section 5, line 29,
 - 2 by adding after the period (.) the following:
 - 3 "Jurisdiction shall be in each county in which
 - 4 an affidavit has been filed. Conviction, or
 - 5 plea of guilty, in one county shall not bar
 - 6 prosecution in another county."

Filed - *Withdrawn 3-26*
March 20, 1969

DOYLE of Woodbury

-
- 1 Amend House File 400, section 5, line 29,
 - 2 by adding after the period the following:
 - 3 "Jurisdiction shall be in each county in which an
 - 4 affidavit has been filed."

Filed - *Adopted 3-26*
March 24, 1969

DOYLE of Woodbury

-
- 1 Amend House File 400 as follows:
 - 2 1. Page 3, line three (3), by striking the word "Assessments" and
 - 3 inserting in lieu thereof the word "Credits".
 - 4 2. Page 3, line eleven (11), by inserting after the word "allowed"
 - 5 the words "in 1969 and each year thereafter,".

Filed - *Adopted 3-26*
March 25, 1969

MENEFEE of Fayette

-
- 1 Amend House File 400 as follows:
 - 2 1. By striking from page 2, lines 10 and 11,
 - 3 "two thousand five hundred." and inserting in lieu
 - 4 thereof the words "three thousand".
 - 5 2. By striking from page 2, lines 18 and 19, the
 - 6 words "two thousand five hundred" and inserting in lieu
 - 7 thereof the words "three thousand".
 - 8 3. By striking from page 2, line 31, the words
 - 9 "two thousand five hundred" and inserting in lieu thereof
 - 10 the words "three thousand".

Filed - *Withdrawn 5-2*
April 11, 1969

Senate
By COMMITTEE ON WAYS AND MEANS

1 Amend House File 400 as follows:

2 1. By striking all after the enacting clause and inserting
3 in lieu thereof the following:

4 Section 1. Amend chapter three hundred fifty-six (356),
5 Acts of the Sixty-second (62nd) General Assembly, by strik-
6 ing section forty-two (42), section forty-three (43),
7 section forty-four (44), section forty-five (45) and
8 section forty-seven (47) and inserting in lieu thereof
9 the following:

10 "Sec. 42. Tangible personal property owned by a person
11 or business enterprise is exempt up to and including two
12 thousand five hundred dollars (\$2,500) assessed valuation.

13 For the purposes of this section:

14 1. 'Person' means an individual, partnership, joint adventure,
15 association, corporation, trust, or estate.

16 2. 'Business enterprise' means a person engaged in business.

17 "Sec. 43. No person or business enterprise in the state
18 shall be allowed an exemption on personal property tax in excess
19 of two thousand five hundred (2,500) dollars assessed valuation.

20 Any person or business enterprise who owns personal property
21 subject to taxation in more than one (1) county of the state
22 shall designate in reporting such property as required in sec-
23 tion thirty-nine (39) of this Act in which counties of the state
24 the property is located and may claim the exemption or a propor-
25 tionate part thereof in each county where the property is sit-
26 uated and in no case shall he claim more than the two thousand
27 five hundred (2,500) dollars assessed value for all personal
28 property assessed in all counties.

29 "Sec. 44. If personal property is owned separately by a
30 husband and wife, they may divide the exemption or one may
31 take the entire exemption, but in no case may a husband and
32 wife receive a total exemption of more than two thousand five
33 hundred dollars (\$2,500). If personal property is owned by
34 separate business enterprises, and the business enterprises
35 are controlled or owned by the same person, the separate business
36 enterprises may divide the exemption or one may take the entire
37 exemption, but in no case may separate business enterprises
38 which are controlled or owned by the same person receive a total
39 exemption of more than two thousand five hundred dollars (2,500).

40 Business enterprises are controlled or owned by the same
41 person if over fifty percent (50%) of their assets or shares of
42 stock are controlled or owned by the same person, or if
43 they are in fact controlled and managed by the same person,
44 regardless of how actual title to the assets or shares of stock
45 are held.

46 "Sec. 45. There is hereby appropriated from the general
47 fund of the state of Iowa to the Department of Revenue per
48 annum beginning July 1, 1969, the sum of \$27,700,000 to be used
49 in the following manner:

50 1. The Department of Revenue shall determine the percent-
51 age which the aggregate taxable value for the year 1969 of personal
52 property assessed within the city or county assessment juris-
53 diction subject to taxation for 1969 payable in 1970, bears to
54 the total aggregate taxable value of such personal property
55 reported from all counties in the State, and shall certify
56 the percentage to the State Comptroller not later than August 1,
57 1969. This percentage shall be effective for ensuing years.

58 2. The State Comptroller shall advise each county auditor
59 on or before August 1, of each year, the amount each county

*Page 1
Coleman
Amendment*

60 shall receive from this appropriation.

61 3. The county auditor shall determine the amount due
62 the several taxing districts for the tax collection year 1970
63 and all subsequent tax years. The county auditor shall, in
64 computing the tax rate for any taxing district, deduct from the
65 total budget requirements certified by any such district all
66 of the tax to be derived from the appropriation, and shall then
67 apply such rate to the adjusted taxable value of the property in
68 the district to raise the amount required after the deductions
69 authorized in this subsection have been made.

70 4. The base year for provisions of this Act shall be 1969 as
71 audited and approved by the Department of Revenue."

72 2. By striking from page 1, lines 1 and 2, the words "and
73 the affidavit required therefor" and inserting in lieu thereof
74 the words "changing it to an exemption and providing an appro-
75 priation".

Filed - *Withdrawn 5-2*
April 16, 1969

By COLEMAN, FREY and GRIFFIN

- 1 Amend the Potgeter, Shaff, Coleman, Frey and
- 2 Clarke amendment to House File 400, filed April 24,
- 3 1969, by striking from lines 57 and 58 the words:
- 4 "and file separate social security returns".

~~Filed and adopted~~
May 2, 1969

By SHIRLEY

- 1 Amend the Potgeter, et al., amendment to House File 400, filed
- 2 April 24, as follows:
- 3 1. By inserting after line 12 the following new section:
- 4 "Sec. Amend chapter three hundred fifty-six (356),
- 5 section forty-two (42), Acts of the Sixty-second General Assembly,
- 6 by striking in line 10 and 23 the figure '1967' and inserting in
- 7 lieu thereof the figure '1969'."
- 8 2. By renumbering the remaining sections.

Filed - *Adopted 5-2*
April 28, 1969

By POTGETER

- 1 Amend the Potgeter, et al., amendment to House File 400, filed
2 April 24, as follows:
- 3 1. By striking lines 6, 7, and 8 and inserting in lieu thereof
4 the following: "There is hereby granted a credit of not to exceed
5 two thousand seven hundred (2,700) dollars against the assessed
6 value of tangible personal property as defined in section thirty-
7 nine (39), chapter three hundred fifty-six (356), Acts of the Sixty-
8 second General Assembly, owned by a person or business enterprise."
 - 9 2. By inserting in line 22 after the word "property" the words
10 "to the assessor for the purpose of assessment".
 - 11 3. By striking in line 24 the words "the credit" and inserting
12 in lieu thereof the words "the entire credit in one county".
 - 13 4. By striking in line 29 the words "and state by" and insert-
14 ing in lieu thereof the words "an application for personal property
15 tax credit and state by such".
 - 16 5. By striking lines 34 through 36 and inserting in lieu
17 thereof the following: "It shall be the duty of the assessor to
18 examine claims for such credit filed with him and recommend on each
19 such claim the disallowance thereof where it appears that an owner
20 of tangible personal property has attempted to divide the ownership
21 thereof for the purpose of obtaining additional credit beyond the
22 amount
23 of two thousand seven hundred (2,700) dollars in a year."
 - 24 6. By striking in line 37 the word "claim" and inserting in
25 lieu thereof the word "application".
 - 26 7. By striking in lines 46 and 47 the words and number "five
27 hundred dollars (\$500)" and inserting in lieu thereof the words and
28 number "one hundred dollars (\$100)".
 - 29 8. By striking in lines 47 and 48 the word and number "ninety
30 (90)" and inserting in lieu thereof the word and number "thirty
31 (30)".
 - 32 9. By adding at the end of line 69 the following new sentence:
33 "The assessor shall deliver the sworn affidavits to the county
34 auditor by August 1st of each year."
 - 35 10. By adding in line 74 after the word "thereafter" the words
36 "in all counties in the state, and such audit shall be completed
37 within eighteen months from July 1st of the year the claims were
38 filed".
 - 39 11. By inserting in line 75 after the word "report" the words
40 "containing disallowed credits".
 - 41 12. By adding in line 79 after the word "comptroller." the
42 following new sentence: "The director of revenue shall be authorized
43 and directed to disallow any claim where the audit or investigation
44 revealed that the claimant was not entitled to the credit claimed."
 - 45 13. By inserting in line 86 after the word "thereto" the words
"or makes claim for credit in more one county in the state".

Filed - *Adopted 5-2*
April 25, 1969

By POTGETER

1 Amend House File 400 by striking all after the enacting clause
2 and inserting in lieu thereof the following:

3 Sec. 1. Chapter three hundred fifty-six (356), section forty-
4 one (41), Acts of the Sixty-second General Assembly, is hereby
5 amended by adding the following thereto:

6 "There is hereby granted a maximum two thousand seven
7 hundred
8 dollars (\$2,700) credit on the assessed value of tangible personal
9 property owned by a person or business enterprise.

9 For the purposes of this section:

10 1. 'Person' means an individual, partnership, joint venture,
11 association, corporation, trust, or estate.

12 2. 'Business enterprise' means a person engaged in business."

13 Sec. 2. Chapter three hundred fifty-six (356), section forty-
14 three (43), Acts of the Sixty-second General Assembly, is amended
15 by striking all of lines 1 through 15, inclusive, and inserting in
16 lieu thereof the following new section:

17 "Sec. 43. No person or business enterprise in the state shall
18 be allowed a credit on personal property tax in excess of two thousand
19 seven hundred dollars (\$2,700) assessed valuation. Any person or
20 business enterprise who owns personal property subject to taxation
21 in more than one (1) county of the state shall designate in reporting
22 such property as required in section thirty-nine (39) of this Act
23 in which counties of the state the property is located and may claim
24 the credit or a proportionate part thereof in each county where the
25 property is situated, and in no case shall he claim more than the
26 two thousand seven hundred dollars (\$2,700) assessed value for all
27 personal property assessed in all counties.

28 Each year, on or before July first, the taxpayer shall deliver
29 to the assessor and state by affidavit or affidavits filed in each
30 county where his personal property is situated, that he has not
31 claimed a total personal property tax credit in all counties in
32 excess of a total of two thousand seven hundred dollars (\$2,700)
33 assessed valuation.

34 It shall be the duty of the assessor to see that no taxpayer
35 can split his personal property in order to get excess personal
36 property tax credits.

37 If any person fails to make claim for the credits provided for
38 under this chapter as herein required, he shall be deemed to have
39 waived the personal property tax credit for the year in which he
40 failed to make claim.

41 Any person making a false affidavit for the purpose of obtaining
42 the credit provided for in this section, or who knowingly receives
43 such credit without being legally entitled thereto, or who makes
44 claim for credit of more than two thousand seven hundred dollars
45 (\$2,700) in the state shall be guilty of a misdemeanor and upon
46 conviction thereof shall be fined not more than five hundred dollars
47 (\$500) or imprisoned in the county jail for not more than ninety
48 (90) days or be both so fined and imprisoned."

49 Sec. 3. Chapter three hundred fifty-six (356), section forty-
50 four (44), Acts of the Sixty-second General Assembly, is amended by

*House
conferred
5-6*

51 striking all of lines 1 through 11 inclusive, and inserting in lieu
52 thereof the following new section:

53 "Sec. 44. If personal property is owned separately by a husband
54 and wife, they may divide the credit or one may take the entire
55 credit, but in no case may a husband and wife receive a total credit
56 of more than two thousand seven hundred dollars (\$2,700) unless
57 husband, wife or minor children own farm units separately and file
58 separate social security returns. If personal property is owned by
59 separate business enterprises and the business enterprises are con-
60 trolled or owned by the same person, the separate business enterprises
61 may divide the credit or one may take the entire credit, but in no
62 case may separate business enterprises which are controlled or owned
63 by the same person receive a total exemption of more than two thou-
64 sand seven hundred dollars (\$2,700).

65 Business enterprises are controlled or owned by the same person
66 if over fifty percent (50%) of their assets or shares of stock are
67 controlled or owned by the same person, or if they are in fact
68 controlled and managed by the same person, regardless of how actual
69 title to the assets or shares of stock are held."

70 Sec. 4. Chapter three hundred fifty-six (356), section forty-
71 five (45), Acts of the Sixty-second General Assembly, is hereby
72 amended by adding thereto the following:

73 "The department of revenue shall have the responsibility of
74 auditing credits allowed in 1969 and each year thereafter. A copy
75 of the audit report shall be sent to the county auditor, the county
76 treasurer and state comptroller, and such individuals shall be
77 directed to correct their books and records accordingly. The amount
78 of such erroneous credit shall be charged to the county by the state
79 comptroller. Persons and business enterprises may appeal any dis-
80 allowed personal property credit to the state board of tax review."

81 Sec. 5. Chapter three hundred fifty-six (356), section forty-
82 eight (48), Acts of the Sixty-second General Assembly, is hereby
83 amended by adding thereto the following:

84 "Any person making a false affidavit for the purpose of obtain-
85 ing the credit provided for in this section or who knowingly receives
86 such credit without being legally entitled thereto shall be guilty
87 of a misdemeanor, and upon conviction thereof shall be fined not
88 more than one hundred dollars (\$100) or imprisoned in the county jail
89 for not more than thirty (30) days or be both fined and imprisoned.
90 Jurisdiction shall be in each county in which an affidavit has been
91 filed."

92 Sec. 6. This Act, being deemed of immediate importance, shall
93 be in full force and effect from and after its passage and publica-
94 tion in The Clayton County Register, a newspaper published at
95 Elkader, Iowa, and in the Hardin County Index, a newspaper published
96 at Eldora, Iowa.