

APR 2 1971

HOUSE FILE 570

Place On Calendar
Sen. Ways & Means 4/13 Pass 4/15

By COMMITTEE ON WAYS AND MEANS

Passed House, Date 4-8-71 Passed Senate, Date 4-16-71

Vote: Ayes 73 Nays 24 Vote: Ayes 28 Nays 16

Approved April 22, 1971
Action to reconsider tabled 4/16

A BILL FOR

1 An Act relating to the rate and collection of sales and use
2 taxes.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
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1 Section 1. For the period commencing April 15, 1971 and
2 continuing through and including June 30, 1971, the rate of
3 taxes imposed under section four hundred twenty-two point
4 forty-three (422.43) of the Code shall be increased from three
5 percent to four percent. However, the rate of tax on the
6 sale of tangible personal property used in the performance
7 of a building or construction contract executed prior to April
8 15, 1971 shall be three percent.

9 Except as provided in this section, all provisions of sec-
10 tion four hundred twenty-two point forty-three (422.43) of
11 the Code shall be in full force and effect and shall remain
12 unchanged.

13 Sec. 2. For the period commencing April 15, 1971 and con-
14 tinuing through and including June 30, 1971, the rate of taxes
15 imposed under section four hundred twenty-three point two
16 (423.2) of the Code shall be increased from three percent
17 to four percent. Except as provided in this section, all pro-
18 visions of section four hundred twenty-three point two (423.2)
19 of the Code shall be in full force and effect and shall remain
20 unchanged.

21 Sec. 3. The additional funds collected under the provi-
22 sion of sections one (1) and two (2) of this Act shall be
23 recorded by the state comptroller as receipts for the fiscal
24 year ending June 30, 1971, and shall be so reflected on all
25 financial statements issued by the comptroller for the fiscal
26 year ending June 30, 1971.

27 Sec. 4. Section four hundred twenty-two point fifty-two
28 (422.52), subsection one (1), Code 1971, is amended as fol-
29 lows:

30 1. The tax levied hereunder shall be due and payable in
31 quarterly installments on or before the last day of the month
32 next succeeding each quarterly period, the first of such
33 quarterly periods being the period commencing with April 1,
34 1937, and ending on the thirtieth day of June, 1937; pro-
35 vided, however, commencing with the period beginning January

1 1, 1966, every retailer who collects more than five hundred
2 dollars in retail sales tax in any one month commencing with
3 January 1, 1966, shall deposit with the department or in a
4 depository bank designated by the director, said sum, made
5 out on a deposit form for the month in such form and manner
6 as may be prescribed by the director, said deposit form being
7 due on or before the twentieth day of the month next succeeding
8 the month of collection, except no deposit will be required
9 for the third month of the calendar quarter and the total
10 quarterly amount, less the amounts deposited for the first
11 two months of the quarter, will be due with the quarterly
12 report on the last day of the month next succeeding the month
13 of collection. Provided further, however, commencing April
14 1, 1971, every retailer who collects more than fifty dollars
15 in retail sales tax in any one month commencing with April
16 1, 1971, shall deposit with the department or in a depository
17 bank designated by the director, said sum, made out on a
18 deposit form for the month in such form and manner as may
19 be prescribed by the director, said deposit form being due
20 on or before the twentieth day of the month next succeeding
21 the month of collection, except no deposit will be required
22 for the third month of the calendar quarter and the total
23 quarterly amount, less the amounts deposited for the first
24 two months of the quarter, will be due with the quarterly
25 report on the last day of the month next succeeding the month
26 of collection. Said monthly remittance procedure shall be
27 optional for any sales tax permit holder whose average monthly
28 collection of tax amounts to more than twenty-five dollars
29 and less than five hundred dollars prior to April 1, 1971
30 and less than fifty dollars from and after April 1, 1971.
31 If the exact amounts of the taxes due on the monthly deposit
32 form are not ascertainable by the retailer, or would work
33 undue hardship in the computation of the taxes due by the
34 retailer, the director may provide by rules and regulations
35 alternative procedures for estimating the amounts (but not

1 the dates) so due by the retailers. The form so prescribed
2 by the director shall be referred to as "retailers monthly
3 tax deposit". Deposit forms shall be signed by the retailer
4 or his duly authorized agent, and must be duly certified by
5 him to be correct. The director may authorize incorporated
6 banks and trust companies which are depositories or financial
7 agents of the United States, or of this state, to receive
8 any tax imposed under this chapter, in such manner, at such
9 times and under such conditions as the director may prescribe.
10 The director shall prescribe the manner, times, and conditions
11 under which the receipt of such tax by such banks and trust
12 companies is to be treated as payment of such tax to the
13 department.

14 Sec. 5. This Act, being deemed of immediate importance,
15 shall take effect and be in force from and after its publica-
16 tion in The Sioux Center News, a newspaper pub-
17 lished in Sioux Center, Iowa, and in Grinnell Herald-
18 a newspaper published in Grinnell, Iowa. Register

19 EXPLANATION

20 This bill provides that the sales and use taxes imposed
21 by sections 422.43 and 423.2 of the Code shall be imposed
22 at a four percent rate from April 15, 1971 through June 30,
23 1971. In addition retailers collecting more than fifty dol-
24 lars per month in receipts, rather than five hundred dollars,
25 would have to remit sales and use tax receipts on a monthly
26 basis. Commencing July 1, 1971 the sales and use tax rate
27 would revert to a 3 percent figure.

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29 *Proof of Publication 5/6*
30 *The Sioux Center News 4/29*
31 *Grinnell Herald-Register 4/29*
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1 Amend House File 570, page 4, by inserting the following new section
2 after line 13, and renumbering the remaining section:
3 Sec. 5. Section four hundred twenty-two point fifty-two (422.52), Code
4 1971, is hereby amended by adding the following new subsection:
5 "Beginning July 1, 1971 when a return is filed and the taxes shown due
6 thereon are paid in full on or before the due date as prescribed in section
7 four hundred twenty-two point fifty-one (422.51) of the Code, the retailer
8 shall be allowed a credit or discount equal to three (3) percent of the
9 sales taxes shown due by such return. This credit or discount shall be allowed
10 the retailer for prompt payment of the tax and as partial remuneration for
11 collecting the tax, keeping the records, and promptly filing the returns re-
12 quired by this chapter."
13 The maximum amount of credit or discount allowed to the retailer under
14 this act shall not exceed \$100.00 for any one year.

Filed and Lost
April 16, 1971

By WALSH, VAN DRIE and POTGETER
Senate

1 Amend House File 570, page 4, by striking lines
2 14 through 18 inclusive.

Filed and lost
April 16, 1971

Senate GAUDINEER

1 Amend House File 570 as follows:
2 1. Page 1, line 1, by striking the words "rate
3 and".
4 2. Page 2 by striking lines 1 through 26.
5 3. By renumbering the subsequent sections.

Filed - *adopted 4/8*
April 5, 1971

ROORDA of Jasper, District 67
MILLEN of Van Buren, District 99
KNOKE of Pottawattamie, District 79

1 Amend House File 570 by adding the following new section
2 thereto:
3 1. Section Four hundred twenty-two point forty-three
4 (422.43), Code of 1971, is amended by striking the period
5 after the word "section" in line 33 and adding the following:
6 "provided, however, that no tax shall be collected from
7 the gross receipts from the sale of tangible personal property
8 when sold through coin operated vending machines below a sum
9 of fifteen cents."

Filed
April 23, 1971

By FISCHER of Grundy
District 35