

FILED MAR 1 1974
Wayo Means 3/12, Pass 3/27

Passed Senate, Date 3-6-74 (652) Passed House, Date 4-17-74 (1831)
Vote: Ayes 46 Nays 0 Vote: Ayes 92 Nays 0

Approved May 2, 1974

Passed Senate for three amendments
4-22-74 (1485)
45-0

A BILL FOR

1 An Act relating to the abatement of assessment of taxes, in-
2 terest and penalties.

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

4 Section 1. Section four hundred twenty-two point twenty-
5 eight (422.28), Code 1973, is amended to read as follows:

6 422.28 REVISION OF TAX. A taxpayer may appeal to the
7 director for revision of the tax, interest, ~~and~~/or penalties
8 assessed against him at any time within ninety days from the
9 date of the notice of the assessment of ~~such~~ tax, additional
10 tax, interest, ~~and~~/or penalties. The director shall grant
11 a hearing ~~thereon~~ and if, upon ~~such~~ the hearing, the director
12 ~~shall-determine~~ determines that the tax, interest, ~~and~~/or
13 penalties are excessive or incorrect, the director shall re-
14 vise ~~the-same~~ them according to the law and the facts and
15 adjust the computation of the tax, interest, ~~and~~/or penalties
16 accordingly. The director shall notify the taxpayer by
17 registered mail of the result of the hearing and shall re-
18 fund to the taxpayer the amount, if any, paid in excess of
19 the tax, interest, ~~and~~/or penalties found by the director to
20 be due, with interest after sixty days from the date of pay-
21 ment by the taxpayer at six percent per annum. The director
22 may, on his own motion at any time, abate any portion of tax,
- 23 interest or penalties which he determines is excessive in
24 amount, or erroneously or illegally assessed.

EXPLANATION

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2 This bill gives the director of revenue the authority to
3 abate an income tax assessment which is excessive in amount
4 or was illegally or erroneously assessed, after the ninety-
5 day appeal period has expired. The present law fixes the
6 tax liability after the expiration of the ninety-day appeal
7 period. The bill applies to taxes imposed on individuals,
8 corporations, and financial institutions. Situations arise
9 where the taxpayer is unable to respond to the assessment
10 notice within the ninety-day appeal period due to reasons
11 such as moving and sickness. For this reason, the bill is
12 needed in order to allow proper adjustment procedures for
13 the taxpayer.

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H-2685

1 Amend Senate File 1251, as passed by the Senate,
2 page 1, line 22, by striking the word "tax," and in-
3 sserting in lieu thereof the words "tax which he de-
4 termines is erroneously or illegally assessed, or any
5 portion of".

H-2685 Filed - *Ad. 4/17*
March 28, 1974

By NORLAND of Worth

H-2722

1 Amend Senate File 1251, as passed by the Senate, as
2 follows:
3 1. Page 1, line 12, strike the words ", interest,
4 and/or" and insert in lieu thereof the words "7-in-
5 terest, and/or is erroneously or illegally assessed, or
6 the interest or".
7 2. Page 1, line 13, strike the word "incorrect"
8 and insert in lieu thereof the words "inco
9 rroneously or illegally assessed".

H-2722 Filed - *Ad. 4/17*
April 1, 1974

By NORLAND of Worth

H-2897

1 Amend Senate File 1251, as passed by the Senate, by
2 inserting after the period in line 24 the following:
3 The director shall prepare quarterly reports, which
4 shall be included in the annual statistical reports
5 required under section four hundred twenty-two point
6 seventy-five (422.75) of the Code, summarizing each
7 case in which an abatement of tax, interests, or
8 penalties was made under this section, but the report
9 shall not disclose the identity of the taxpayer.

H-2897 Filed - *Adopted 4/17*
April 16, 1974

By HILL of Polk
STANLEY of Muscatine
NORLAND of Worth

HOUSE AMENDMENT TO SENATE FILE 1251

1 Amend Senate File 1251, as passed by the Senate, by
2 inserting after the period in line 24 the following:
3 The director shall prepare quarterly reports, which
4 shall be included in the annual statistical reports
5 required under section four hundred twenty-two point
6 seventy-five (422.75) of the Code, summarizing each
7 case in which an abatement of tax, interest, or
8 penalties was made under this section, but the report
9 shall not disclose the identity of the taxpayer.

Received from the House
April 18, 1974

Senate Council 4-22