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FILED FEB 16 1981

SENATE FILE 263

BY COMMITTEE ON WAYS AND MEANS

(FORMERLY SSB 81)

Passed Senate, Date 3-5-81 (p. 673) Passed House, Date 5/8/81 (P. 1738)  
Vote: Ayes 49 Nays 0 Vote: Ayes 93 Nays 3  
Approved May 19, 1981

### A BILL FOR

1 An Act authorizing the department of revenue to credit  
2 income and franchise tax refunds against the tax liability  
3 of the taxpayer.

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

#### SENATE FILE 263

S-3112

- 1 Amend Senate File 263 as follows:
- 2 1. Page 1, line 3, by striking the words
- 3 "as a result of mistake,".
- 4 2. Page 1, by striking lines 7 through 10 and
- 5 inserting in lieu thereof the following: "against
- 6 any tax due, ~~or to become due, under this chapter~~
- 7 on the books of the department from the person who
- 8 made the erroneous payment, by the person who made
- 9 the excessive payment, or such that amount shall be
- 10 refunded to such the person by the department or with
- 11 the person's approval, credited to tax to become due.
- 12 A claim for refund or".

S-3112 FILED  
MARCH 2, 1981  
*Adopted 3/5 (p. 673)*

BY JACK W. HESTER

18

#### SENATE FILE 263

S-3089

- 1 Amend Senate File 263 as follows:
- 2 1. Page 1, line 3, by inserting after the word
- 3 "mistake" the words "by the taxpayer" .

S-3089 FILED  
FEBRUARY 23, 1981  
*4/25 3/5 (p. 673)*

BY ARTHUR A. SMALL, JR.

1 Section 1. Section 422.73, subsection 2, Code 1981, is  
2 amended to read as follows:

3 2. If it ~~shall appear~~ appears that, as a result of mistake,  
4 an amount of tax, penalty, or interest has been paid which  
5 was not due under ~~the provisions of~~ divisions II, III or V  
6 of this chapter, then ~~such~~ that amount shall be credited  
7 against any tax due, or to become due, ~~under this chapter~~  
8 on the books of the department from the person who made the  
9 erroneous payment, or ~~such~~ that amount shall be refunded to  
10 ~~such~~ the person by the department. A claim for refund or  
11 credit that has not been filed with the department within  
12 three years after the return upon which a refund or credit  
13 claimed became due, or within one year after the payment of  
14 the tax upon which a refund or credit is claimed was made,  
15 whichever time is the later, shall not be allowed by the  
16 director, ~~if.~~ If, as a result of a carryback of a net  
17 operating loss or a net capital loss, the amount of tax in  
18 a prior period is reduced and an overpayment results, the  
19 claim for refund or credit of the overpayment shall be filed  
20 with the department within the three years after the return  
21 for the taxable year of the net operating loss or net capital  
22 loss became due. Notwithstanding the period of limitation  
23 specified, the taxpayer shall have six months from the day  
24 of final disposition of any income tax matter between the  
25 taxpayer and the internal revenue service with respect to  
26 the particular tax year ~~or years~~ to claim an income tax refund  
27 or credit, provided the taxpayer has notified the department  
28 of revenue in writing no later than six months after the  
29 expiration of the three-year limitations period of the  
30 existence of ~~such~~ this income tax matter.

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EXPLANATION

32 In the 1979 Session, the legislature enacted the law au-  
33 thorizing the department of revenue to credit certain gas  
34 and sales tax refunds against the tax liability of a taxpayer.  
35 This bill will grant the department the authority to do the

1 same with respect to refunds of individual or corporate in-  
2 come taxes or franchise taxes which were mistakenly paid.

3 The bill takes effect July 1 following its enactment.

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Ways and Means: Dicmer, Chair; Shull and Rapp.

*D. Rapp 4/9/81 (p. 1168)*

SENATE FILE 263  
BY COMMITTEE ON WAYS AND MEANS

(AS AMENDED AND PASSED BY THE SENATE MARCH 5, 1981)

Passed Senate, Date 3-5-81 (p. 673) Passed House, Date 5-8-81 (p. 1738)  
Vote: Ayes 49 Nays 0 Vote: Ayes 93 Nays 3  
Approved May 19, 1981

### A BILL FOR

1 An Act authorizing the department of revenue to credit  
2 income and franchise tax refunds against the tax liability  
3 of the taxpayer.

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

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\_\_\_\_\_ = New Language  
by the Senate

1 Section 1. Section 422.73, subsection 2, Code 1981, is  
2 amended to read as follows:

3 2. If it ~~shall appear~~ appears that, ~~as-a-result-of-mistake,~~  
4 an amount of tax, penalty, or interest has been paid which  
5 was not due under ~~the-provisions-of~~ divisions II, III or V  
6 of this chapter, then ~~such~~ that amount shall be credited  
7 ~~against any tax due, or to become due, under this chapter~~  
8 ~~on the books of the department from the person who made the~~  
9 ~~erroneous payment, by the person who made the excessive~~  
10 ~~payment, or such~~ that amount shall be refunded to ~~such~~ the  
11 ~~person by the department or with the person's approval,~~  
12 ~~credited to tax to become due.~~ A claim for refund or credit  
13 that has not been filed with the department within three years  
14 after the return upon which a refund or credit claimed became  
15 due, or within one year after the payment of the tax upon  
16 which a refund or credit is claimed was made, whichever time  
17 is the later, shall not be allowed by the director, ~~if.~~ If,  
18 as a result of a carryback of a net operating loss or a net  
19 capital loss, the amount of tax in a prior period is reduced  
20 and an overpayment results, the claim for refund or credit  
21 of the overpayment shall be filed with the department within  
22 the three years after the return for the taxable year of the  
23 net operating loss or net capital loss became due.  
24 Notwithstanding the period of limitation specified, the  
25 taxpayer shall have six months from the day of final  
26 disposition of any income tax matter between the taxpayer  
27 and the internal revenue service with respect to the particular  
28 tax year ~~or years~~ to claim an income tax refund or credit,  
29 provided the taxpayer has notified the department of revenue  
30 in writing no later than six months after the expiration of  
31 the three-year limitations period of the existence of ~~such~~  
32 this income tax matter.

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SENATE FILE 263

AN ACT

AUTHORIZING THE DEPARTMENT OF REVENUE TO CREDIT INCOME AND  
FRANCHISE TAX REFUNDS AGAINST THE TAX LIABILITY OF THE  
TAXPAYER.

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

Section 1. Section 422.73, subsection 2, Code 1981, is amended to read as follows:

2. If it shall ~~appear~~ appears that, ~~as-a-result-of-mistake,~~ an amount of tax, penalty, or interest has been paid which was not due under ~~the-provisions-of~~ divisions II, III or V of this chapter, then such that amount shall be credited against any tax due, ~~or-to-become-due,-under-this-chapter~~ on the books of the department from the person who made the excessive payment, by the person who made the excessive payment, or such that amount shall be refunded to such the person by the department or with the person's approval, credited to tax to become due. A claim for refund or credit that has not been filed with the department within three years after the return upon which a refund or credit claimed became due, or within one year after the payment of the tax upon which a refund or credit is claimed was made, whichever time is the later, shall not be allowed by the director, ~~if,~~ if, as a result of a carryback of a net operating loss or a net capital loss, the amount of tax in a prior period is reduced and an overpayment results, the claim for refund or credit of the overpayment shall be filed with the department within the three years after the return for the taxable year of the net operating loss or net capital loss became due. Notwithstanding the period of limitation specified, the taxpayer shall have six months from the day of final disposition of any income tax matter between the taxpayer

and the internal revenue service with respect to the particular tax year ~~or-years~~ to claim an income tax refund or credit, provided the taxpayer has notified the department of revenue in writing no later than six months after the expiration of the three-year limitations period of the existence of such this income tax matter.

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TERRY E. BRANSTAD  
President of the Senate

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DELWYN STROMER  
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 263, Sixty-ninth General Assembly.

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LINDA HOWARTH MACKAY  
Secretary of the Senate

Approved May 19, 1981

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ROBERT D. RAY  
Governor