

Finance: Doderer, Chair; Halvorson of Webster and Hanson.

HOUSE FILE 527

HOUSE FILE 527

BY COMMITTEE ON WAYS AND MEANS

Ways and Means **ICE** Do Pass 3/23/83 (p. 873)  
Van Gilst, Chair  
Husak  
Readinger  
Senate: Do Pass 4/26/83 (p. 1406)

Passed House, Date 4-18-83 (p. 1357) Passed Senate, Date 4-27-83 (p. 1413)

Vote: Ayes 94 Nays 3 Vote: Ayes 46 Nays 0

Approved May 10, 1983 (p. 2043)

# A BILL FOR

1 An Act to remove the sales tax permit fee.  
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25

HF 527

1 Section 1. Section 422.53, Code 1983, is amended to read  
2 as follows:

3 422.53 PERMITS--APPLICATIONS FOR.

4 1. It ~~shall-be~~ is unlawful for any person to engage in  
5 or transact business as a retailer within this state, unless  
6 a permit ~~ex-permits-shall-have~~ has been issued to ~~him-as~~  
7 ~~hereinafter-prescribed~~ the retailer under this section, except  
8 as ~~otherwise~~ provided in subsection ~~7~~ 6. Every person desiring  
9 to engage in or conduct business as a retailer within this  
10 state shall file with the department an application for a  
11 permit ~~ex-permits~~. Every application for ~~such~~ a permit shall  
12 be made upon a form prescribed by the director and shall set  
13 forth the name under which the applicant transacts or intends  
14 to transact business, the location of ~~his~~ the applicant's  
15 place ~~ex-places~~ of business, and ~~such~~ any other information  
16 as the director may require. The application shall be signed  
17 by the owner if a natural person; in the case of an association  
18 or partnership, by a member or partner ~~thereof~~; in the case  
19 of a corporation, by an executive officer ~~thereof~~ or some  
20 person specifically authorized by the corporation to sign  
21 the application, to which shall be attached the written  
22 evidence of ~~his~~ the person's authority.

23 2. ~~At-the-time-of-making-such-application,-the-applicant~~  
24 ~~shall-pay-to-the-department-a-permit-fee-of-one-dollar-for~~  
25 ~~each-permit,-and-the~~ The applicant must have a permit for  
26 each place of business.

27 3. ~~Upon-the-payment-of-the-permit-fee-or-fees-herein~~  
28 ~~required,-the~~ The department shall grant and issue to each  
29 applicant a permit for each place of business within the  
30 state. A permit is not assignable and ~~shall-be~~ is valid only  
31 for the person in whose name it is issued and for the  
32 transaction of business at the place designated ~~therein~~.  
33 It shall at all times be conspicuously displayed at the place  
34 for which issued.

35 4. Permits issued under ~~the-provisions-of~~ this division

1 ~~shall-be~~ are valid and effective ~~without-further-payment-of~~  
 2 fees until revoked by the department.

3 5. ~~Whenever~~ If the holder of a permit fails to comply  
 4 with any of the provisions of this division or any orders  
 5 or rules of the department ~~prescribed-and~~ adopted under this  
 6 division, the director upon hearing after giving ten days'  
 7 notice of the time and place of the hearing to show cause  
 8 why the permit should not be revoked, may revoke the permit.  
 9 The director ~~shall-also-have-the-power-to~~ may restore permits  
 10 after such revocation. The director shall ~~promulgate~~ adopt  
 11 rules setting forth the period of time a retailer must wait  
 12 before a permit may be restored or a new permit may be issued.  
 13 The waiting period shall not exceed ninety days from the date  
 14 of the revocation of the permit.

15 ~~6---The-department-shall-charge-a-fee-of-one-dollar-for~~  
 16 ~~the-issuance-of-a-permit-to-a-retailer-whose-permit-has-been~~  
 17 ~~previously-revoked-~~

18 7 6. Persons who are not regularly engaged in selling  
 19 at retail and do not having have a permanent place of business,  
 20 but who are temporarily engaged in selling from trucks,  
 21 portable roadside stands, concessionaires at state, county,  
 22 district or local fairs, carnivals and the like, shall report  
 23 and remit the tax on a nonpermit basis, under ~~such~~ rules as  
 24 the director shall provide for the efficient collection of  
 25 the sales tax ~~on-such-sales~~.

26 8 7. The provisions of subsection 1, dealing with lawful  
 27 right of a retailer to transact business, according to the  
 28 context, ~~shall~~ apply to persons having receipts from rendering,  
 29 furnishing, or performing services enumerated in section  
 30 422.43, except that ~~no~~ a person holding a permit pursuant  
 31 to subsection 1 shall not be required to obtain any separate  
 32 sales tax permit for the purpose of engaging in business  
 33 involving ~~such~~ the services.

34 EXPLANATION

35 Under the current law, a one dollar fee for each sales

- 1 tax permit is required. The bill removes the one dollar fee.
- 2 The bill takes effect July 1 following enactment.
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14

---

HOUSE FILE 527  
FISCAL NOTE  
REQUESTED BY REPRESENTATIVE DODERER

In compliance with a written request received March 3, 1983, there is hereby submitted a Fiscal Note for House File 527 pursuant to Joint Rule 17. Background information used in developing this Fiscal Note is available from the Legislative Fiscal Bureau, to members of the Legislature upon request.

House File 527 removes the one dollar fee for each sales tax permit required under current law. The bill is effective July 1 following enactment.

FISCAL IMPACT: An exact estimate of the fiscal effect of this bill is not possible. Approximately 16,400 sales tax permits were issued during fiscal 1982. Based on these figures, the actual revenue collected approximates \$16,400 per year. Based on salary cost, net cost of applications, permits, envelopes and postage, the total direct cost to issue a sales tax license is \$2.85 each or \$46,740 (\$2.85 x 16,400 permits). Thus, the current system represents an approximate annual cost of \$30,340 (\$46,740 - \$16,400).

The \$46,740 annual cost to issue sales tax permits is expected to be offset considerably by reduced processing and collection costs as the elimination of the fee also eliminates costs associated with fee deposit, cash conversion, non-payment and unhonored checks.

(1643H, 83-422, CMG)

Source: Department of Revenue

FILED MARCH 22, 1983

BY DENNIS PROUTY, FISCAL DIRECTOR

LSB 1643H 70

bk/jw/5

HOUSE FILE 527

AN ACT

TO REMOVE THE SALES TAX PERMIT FEE.

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

Section 1. Section 422.53, Code 1983, is amended to read as follows:

422.53 PERMITS--APPLICATIONS FOR.

1. It ~~shall-be~~ is unlawful for any person to engage in or transact business as a retailer within this state, unless a permit ~~or-permits-shall-have~~ has been issued to him-as ~~hereinafter-prescribed~~ the retailer under this section, except as ~~otherwise~~ provided in subsection ~~7~~ 6. Every person desiring to engage in or conduct business as a retailer within this state shall file with the department an application for a permit ~~or-permits~~. Every application for ~~such~~ a permit shall be made upon a form prescribed by the director and shall set forth the name under which the applicant transacts or intends to transact business, the location of ~~his~~ the applicant's place ~~or-places~~ of business, and ~~such~~ any other information as the director may require. The application shall be signed by the owner if a natural person; in the case of an association or partnership, by a member or partner ~~thereof~~; in the case of a corporation, by an executive officer ~~thereof~~ or some person specifically authorized by the corporation to sign the application, to which shall be attached the written evidence of ~~his~~ the person's authority.

2. ~~At-the-time-of-making-such-application,-the-applicant shall-pay-to-the-department-a-permit-fee-of-one-dollar-for each-permit,-and-the~~ The applicant must have a permit for each place of business.

3. ~~Upon-the-payment-of-the-permit-fee-or-fees-herein required,-the~~ The department shall grant and issue to each applicant a permit for each place of business within the

state. A permit is not assignable and ~~shall-be~~ is valid only for the person in whose name it is issued and for the transaction of business at the place designated ~~therein~~. It shall at all times be conspicuously displayed at the place for which issued.

4. Permits issued under ~~the-provisions-of~~ this division ~~shall-be~~ are valid and effective ~~without-further-payment-of fees~~ until revoked by the department.

5. ~~Whenever~~ If the holder of a permit fails to comply with any of the provisions of this division or any orders or rules of the department ~~prescribed-and~~ adopted under this division, the director upon hearing after giving ten days' notice of the time and place of the hearing to show cause why the permit should not be revoked, may revoke the permit. The director ~~shall-also-have-the-power-to~~ may restore permits after ~~such~~ revocation. The director shall ~~promulgate~~ adopt rules setting forth the period of time a retailer must wait before a permit may be restored or a new permit may be issued. The waiting period shall not exceed ninety days from the date of the revocation of the permit.

6. ~~The-department-shall-charge-a-fee-of-one-dollar-for the-issuance-of-a-permit-to-a-retailer-whose-permit-has-been previously-revoked.~~

7. 6. Persons who are not regularly engaged in selling at retail and do not having have a permanent place of business, but who are temporarily engaged in selling from trucks, portable roadside stands, concessionaires at state, county, district or local fairs, carnivals and the like, shall report and remit the tax on a nonpermit basis, under ~~such~~ rules as the director shall provide for the efficient collection of the sales tax ~~on-such-sales~~.

8. 7. The provisions of subsection 1, dealing with lawful right of a retailer to transact business, according to the context, ~~shall~~ apply to persons having receipts from rendering, furnishing, or performing services enumerated in section

H.F. 527

422.43, except that ~~no~~ a person holding a permit pursuant to subsection 1 shall not be required to obtain any separate sales tax permit for the purpose of engaging in business involving ~~such~~ the services.

---

DONALD D. AVENSON  
Speaker of the House

---

ROBERT T. ANDERSON  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 527, Seventieth General Assembly.

---

JOSEPH O'HERN  
Chief Clerk of the House

Approved May 10, 1983

---

TERRY E. BRANSTAD  
Governor