

WAYS AND MEANS: Bruner, Chair; Boswell and Holden

HOUSE FILE 2471  
BY COMMITTEE ON WAYS AND MEANS

MAR 25 1986  
WAYS & MEANS CALENDAR

(Formerly House Study Bill 609)

Passed House, Date 4-7-86 (p. 1280) Passed Senate, Date 4-24-86 (p. 1383)  
Vote: Ayes 94 Nays 0 Vote: Ayes 47 Nays 0

Approved May 29, 1986

Repassed House 4-29-86 (p. 1875)  
98-0

Repassed Senate 4-29-86 (p. 1443)  
48-0

A BILL FOR

1 An Act relating to taxation, by amending administrative  
2 requirements of taxpayers, taxpayers' representatives, and  
3 public and taxing authorities, including nonsubstantive and  
4 technical corrections and making certain provisions of the Act  
5 retroactive.

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

HOUSE FILE 2471

H-5576

1 Amend House File 2471 as follows:

2 1. Page 24, lines 30 and 31, by striking the  
3 words "if the person resides in the county where the  
4 land is situated," and inserting the words "~~if the~~  
5 ~~person resides in the county where the land is~~  
6 ~~situated,~~".

7 2. Page 25, line 8, by striking the word  
8 "housing" and inserting the word "housing".

9 3. Page 25, lines 14 through 18, by striking the  
10 words "or assignee of record, whether resident or  
11 nonresident of the county, if the mortgagee's or  
12 assignee's address is disclosed by the recorded  
13 instrument or by a certificate showing the address of  
14 the mortgagee or assignee duly filed with the  
15 recorder, or" and inserting the words "~~or assignee of~~  
16 ~~record, whether resident or nonresident of the county,~~  
17 ~~if the mortgagee's or assignee's address is disclosed~~  
18 ~~by the recorded instrument or by a certificate showing~~  
19 ~~the address of the mortgagee or assignee duly filed~~  
20 ~~with the recorder, or~~ having a lien upon the real  
21 estate, a vendor of the real estate under a recorded  
22 contract of sale, a lessor who has a recorded lease or  
23 memorandum of a recorded lease, and any other person  
24 who has an interest of record, at the person's last  
25 known address, and on".

H-5576 FILED MARCH 27, 1986 BY SPEAR of Lee

*Adopted 4/7 (p. 1280)*

1 Section 1. Section 98.13, subsection 2, Code 1985, is  
2 amended to read as follows:

3 2. ISSUANCE. The department shall issue state permits to  
4 distributors, wholesalers, and cigarette vendors subject to  
5 the conditions provided in this division. Cities may issue  
6 retail permits to dealers within their respective limits.  
7 County boards of supervisors may issue retail permits to  
8 dealers in their respective counties, outside of the corporate  
9 limits of cities. ~~Upon issuance of a retail permit by a city~~  
10 ~~council or board of supervisors, the council or board shall~~  
11 ~~forthwith certify to the department the action taken.~~

12 Sec. 2. Section 98.22, subsection 1, Code 1985, is amended  
13 to read as follows:

14 1. If ~~any~~ a person holding a permit issued by the  
15 department under this division, including a retailer permit  
16 for railway car, has willfully violated ~~the provisions of~~  
17 section 98.2, the department shall revoke the permit issued to  
18 the person upon notice and hearing. If the person violates  
19 any other provision of this division, or any rule promulgated  
20 adopted under this division, the department may revoke the  
21 permit issued to the person, after giving the permit holder an  
22 opportunity to be heard upon ten days' written notice stating  
23 the reason for the contemplated revocation and the time and  
24 place at which the person may appear and be heard. The  
25 hearing shall be held in the county of the permit holder's  
26 place of business, or in a county in or through which it  
27 transacts business. The notice shall be given by mailing a  
28 copy ~~by certified mail~~ to the permit holder's place of  
29 business as ~~the same~~ it appears on the application for a  
30 permit. If, upon hearing, the department finds that the  
31 violation has occurred, the department may revoke the permit.

32 Sec. 3. Section 98.29, Code 1985, is amended to read as  
33 follows:

34 98.29 NOTICE AND APPEAL.

35 The department shall notify any person assessed pursuant to

1 section 98.28 by sending a written notice of such the  
2 determination and assessment by certified mail to the  
3 principal place of business of such the person as shown on the  
4 person's application for permit, if-any, and in-case if no  
5 such application was filed by such the person, to the person's  
6 last known address. Judicial review of action of the  
7 department may be sought in accordance with the terms-of-the  
8 Iowa administrative procedure Act and section 422.29.

9 Sec. 4. Section 98.29, Code 1985, as amended by House File  
10 764, enacted by the Seventy-first General Assembly, 1986  
11 Session, section 8, is amended to read as follows:

12 98.29 NOTICE AND APPEAL.

13 The department shall notify any person assessed pursuant to  
14 section 98.28 by sending a written notice of the determination  
15 and assessment by certified mail to the principal place of  
16 business of the person as shown on the person's application  
17 for permit, if-any, and in-case if no application was filed by  
18 the person, to the person's last known address. A  
19 determination by the department of the amount of tax, penalty,  
20 and interest due, or the amount of refund for excess tax paid,  
21 is final unless the person aggrieved by the determination  
22 appeals to the director for a revision of the determination  
23 within thirty days from the postmark date of the notice of  
24 determination of tax, penalty, and interest or refund owing.  
25 The director shall grant a hearing and upon the hearing, the  
26 director shall determine the correct tax, penalty, and  
27 interest or refund due and notify the appellant of the  
28 decision by certified mail. Judicial review of action of the  
29 director may be sought in accordance with the terms-of-the  
30 Iowa administrative procedure Act and section 422.29.

31 Sec. 5. Section 98.46, subsection 2, Code 1985, is amended  
32 to read as follows:

33 2. Every A hearing conducted under this division shall be  
34 preceded by ten days' notice in writing of the subject of the  
35 hearing, including, in the case of suspension or revocation,

1 of a license, a statement of the nature of the charges against  
2 the licensee. The notice shall be sent by ~~registered~~ mail to  
3 the last known address of the licensee or other person  
4 involved in the hearing, and the service shall be complete  
5 upon mailing. After every hearing the director shall make the  
6 director's findings and order in writing. The findings and  
7 order shall be filed in the office of the director, and a copy  
8 sent by mail or otherwise to the person to whom the notice was  
9 directed.

10 Sec. 6. Section 324.18, Code 1985, is amended to read as  
11 follows:

12 324.18 REFUND PERMIT.

13 No A person may shall not claim a refund under section  
14 324.17 or section 324.21 until the person ~~shall-have~~ has  
15 obtained a refund permit from the department of revenue and  
16 ~~paid-the-fee-therefor~~. A special permit shall be obtained by  
17 applicants claiming a refund under ~~the-provisions-of~~ this  
18 chapter on account of motor fuel used for the purpose of  
19 operating aircraft or used to blend gasohol. Application for  
20 a refund permit shall be made to the department of revenue on  
21 a form provided by the department of revenue, shall be  
22 certified by the applicant under penalty for false certificate  
23 and shall contain among other things, the name, ~~the~~ address,  
24 and occupation of the applicant, the nature of the applicant's  
25 business, and a sufficient description for identification of  
26 the machines and equipment in which is to be used motor fuel  
27 for which refund may be claimed under the permit. Each permit  
28 shall bear a separate number and each claim for refund shall  
29 bear the number of the permit under which it is made. The  
30 department of revenue shall keep a permanent record of all  
31 permits issued and a cumulative record of the amount of refund  
32 claimed and paid under each. ~~A-fee-of-one-dollar-shall-be~~  
33 ~~collected-by-the-department-of-revenue-from-each-person-to~~  
34 ~~whom-a-refund-permit-is-issued~~. A refund permit shall  
35 continue in effect until it is revoked or ~~until-the-claimant~~

1 ~~shall have moved from the county with which the claimant's~~  
2 ~~refund permit is identified~~ becomes invalid.

3 Sec. 7. Section 324.19, unnumbered paragraph 2, Code 1985,  
4 is amended to read as follows:

5 A person whose refund permit is revoked for cause ~~(except~~  
6 ~~nonuse)~~ may not obtain another refund permit for a period of  
7 one year after the revocation. A refund permit under which no  
8 refund is claimed for a period of one year ~~from date of~~  
9 ~~issuance~~ or a refund permit whose holder has moved from the  
10 county ~~wherein~~ in which the holder resided at the time of  
11 application for ~~said~~ the permit ~~shall be revoked by the~~  
12 ~~department of revenue~~ is invalid subject to reinstatement or  
13 issuance of a new permit upon application as provided in  
14 section 324.18.

15 Sec. 8. Section 324.68, unnumbered paragraph 1, Code 1985,  
16 is amended to read as follows:

17 If a licensee files a false report of the data or  
18 information required by this chapter, or fails, refuses, or  
19 neglects to file a report required by this chapter, or to pay  
20 the full amount of fuel tax as required by this chapter, then  
21 after ten days' written notice by ~~registered~~ mail directed to  
22 the last known address of the licensee setting a time and  
23 place at which the licensee may appear and show cause why the  
24 license should not be canceled, and if the licensee fails to  
25 appear or if upon the hearing it is shown by a preponderance  
26 of the evidence that the failure to correctly report or pay  
27 was with intent to evade the tax, the appropriate state agency  
28 may cancel the license and shall notify the licensee of the  
29 cancellation by ~~registered~~ mail to the licensee's last known  
30 address.

31 Sec. 9. Section 384.50, unnumbered paragraph 3, Code 1985,  
32 is amended to read as follows:

33 Not less than fifteen days before the hearing, the clerk  
34 shall send a copy of the notice by ~~certified~~ mail to each  
35 property owner whose property is subject to assessment for the

1 improvement at the address as shown by the records of the  
2 county auditor. If a property is shown to be in the name of  
3 more than one owner at the same mailing address, a single  
4 notice may be mailed addressed to all owners at that address.  
5 Failure to receive a mailed notice is not a defense to the  
6 special assessment.

7 Sec. 10. Section 384.51, unnumbered paragraph 1, Code  
8 1985, is amended to read as follows:

9 The council shall meet as specified in the published  
10 notice, and after hearing all objections and endorsements from  
11 property owners and other persons having an interest in the  
12 matter, and after considering all filed, written objections,  
13 may adopt or amend and adopt the proposed resolution of  
14 necessity, or may defer action until a subsequent meeting. A  
15 resolution of necessity requires for passage the vote of  
16 three-fourths of all the members of the council, or, in cities  
17 having but three members of the council, the vote of two  
18 members, and where a remonstrance has been filed with the  
19 clerk, signed by the owners subject to seventy-five percent of  
20 the amount of the proposed assessments for the entire public  
21 improvement included in the resolution of necessity, a  
22 resolution of necessity requires a unanimous vote of the  
23 council.

24 PARAGRAPH DIVIDED. An amendment which extends the  
25 boundaries of a district, increases the amount to be assessed  
26 against a lot, or adds additional public improvements, is not  
27 effective until an amended plat, schedule, and estimate have  
28 been prepared and adopted, a notice published and mailed by  
29 certified-mail to all affected property owners, and hearing  
30 held in the same manner as the original proceedings, or until  
31 all affected property owners agree in writing to the change.  
32 The adoption of a resolution of necessity is a legislative  
33 determination that the improvement is expedient and proper and  
34 that property assessed will be specially benefited thereby by  
35 the improvement and this determination of the council is

1 conclusive. Ownership of property to be assessed by any an  
2 improvement ~~shall~~ does not, except for fraud or bad faith,  
3 disqualify a council member from voting on any measure.

4 Sec. 11. Section 384.56, subsection 3, Code 1985, is  
5 amended to read as follows:

6 3. When any portion of the cost of a public improvement is  
7 to be paid by the state under this section, the clerk shall  
8 send, at the time of publication of the notice required by  
9 section 384.50, mail a copy of the notice to the secretary of  
10 the executive council ~~by-restricted-certified-mail~~.

11 Sec. 12. Section 384.60, unnumbered paragraph 2, Code  
12 1985, is amended to read as follows:

13 On or before the second publication of the notice, the  
14 clerk shall send by certified mail to each property owner  
15 whose property is subject to assessment for the improvement,  
16 as shown by the records in the office of the county auditor, a  
17 copy of the notice. The notice shall also include a statement  
18 in substance that assessments may be paid in full or in part  
19 without interest within thirty days after the date of the  
20 first notice of the final assessment schedule, and thereafter  
21 all unpaid special assessments bear interest at the rate  
22 specified by the council, but not exceeding that permitted by  
23 chapter 74A, computed to the December 1 next following the due  
24 dates of the respective installments as provided in section  
25 384.65, subsection 3, and each installment will be delinquent  
26 on September 30 following its due date, and will draw  
27 additionally the same delinquent interest and the same  
28 penalties as ordinary taxes. The notice shall also state  
29 substantially that property owners may elect to pay any  
30 installment semiannually in advance. If a property is shown  
31 by the records to be in the name of more than one owner at the  
32 same mailing address, a single notice may be mailed to all  
33 owners at that address. Failure to receive a mailed notice is  
34 not a defense to the special assessment.

35 Sec. 13. Section 384.63, unnumbered paragraph 2, Code

1 1985, is amended to read as follows:

2 The council shall, by resolution, provide that the  
3 deficiencies for the lots specially benefited by a public  
4 improvement shall be certified to the county treasurer, who  
5 shall record them in a separate book entitled "Special  
6 Assessment Deficiencies", and to the appropriate city official  
7 charged with the responsibility of issuing building permits,  
8 who shall notify the council when a private improvement is  
9 subsequently constructed on any lot subject to a deficiency.  
10 Certification to the county treasurer shall include a legal  
11 description of each lot. The period of amortization for a  
12 public improvement for which there are deficiencies shall  
13 commence with the adoption of the resolution of necessity and  
14 extend for the same period for which installments of  
15 assessments for the project are made payable. Deficiencies  
16 may be assessed only during the period of amortization, which  
17 shall also be certified to the county treasurer and the city  
18 official charged with the responsibility of issuing building  
19 permits. Certification to the county treasurer shall include  
20 a legal description of each lot.

21 PARAGRAPH DIVIDED. When a private improvement is  
22 constructed on a lot subject to a deficiency, during the  
23 period of amortization, the council shall, by resolution,  
24 assess a pro rata portion of the deficiency on that lot, in  
25 the same proportion to the total deficiency on that lot as the  
26 number of future installments of special assessments remaining  
27 to be paid is to the total number of installments of  
28 assessments for the project, subject to the twenty-five  
29 percent limitation of section 384.62. A deficiency assessment  
30 becomes a lien on the property and is payable in the same  
31 manner, and subject to the same interest and penalties as the  
32 other special assessments. The council shall direct the clerk  
33 to certify a deficiency assessment to the county treasurer,  
34 and to send a notice of the deficiency assessment by certified  
35 mail to each owner, as provided in section 384.60, subsection

1 5, but publication of the notice is not required.

2 PARAGRAPH DIVIDED. An owner may appeal from the amount of  
3 the assessment within thirty days of the date notice is  
4 mailed. County officials shall collect a deficiency  
5 assessment, commencing in the year following the assessment,  
6 in the manner provided for the collection of other special  
7 assessments. Upon collection, the county treasurer shall make  
8 the appropriate credit entries in the "Special Assessment  
9 Deficiencies" book, and shall credit the amounts collected as  
10 provided for other special assessments on the same public  
11 improvement, or to the city, to the extent that the deficiency  
12 has been previously paid from other city funds.

13 Sec. 14. Section 422.7, subsections 9 and 11, Code  
14 Supplement 1985, are amended to read as follows:

15 9. Subtract the amount of ~~the-work-incentive-programs~~  
16 ~~credit-allowable-for-the-taxable-year-under-section-40-or~~ the  
17 jobs tax credit allowable for the tax year under section 44B  
18 51 of the Internal Revenue Code of 1954 to the extent that the  
19 credit increased federal adjusted gross income.

20 11. Subtract the amount of the alcohol fuel credit  
21 allowable for the tax year under section 44E 40 of the  
22 Internal Revenue Code of 1954 to the extent that the credit  
23 increased federal adjusted gross income.

24 Sec. 15. Section 422.12, subsections 2 and 3, Code 1985,  
25 are amended to read as follows:

26 2. A child and dependent care credit equal to ten percent  
27 of the qualifying employment-related expenses and subject to  
28 the same limitations provided by section 44A 21 of the  
29 Internal Revenue Code of 1954.

30 Married taxpayers electing to file separate returns or  
31 filing separately on a combined return must allocate the child  
32 and dependent care credit to each spouse in the proportion  
33 that each spouse's respective net income bears to the total  
34 combined net income. Taxpayers affected by the allocation  
35 provisions of section 422.8 shall be permitted a deduction for

1 the credit only in the amount ~~as-is~~ fairly and equitably  
2 allocable to Iowa under rules prescribed by the director.

3 3. A political contributions credit equal to five percent  
4 of the first one hundred dollars donated as a political  
5 contribution as defined in section ~~41(e)~~ 24(c) of the Internal  
6 Revenue Code of 1954. In the case of a married couple filing  
7 a joint return, a political contributions credit equal to five  
8 percent of the first two hundred dollars donated shall be  
9 allowed.

10 Sec. 16. Section 422.16, subsections 1 and 11, Code 1985,  
11 are amended to read as follows:

12 1. Every withholding agent and every employer as defined  
13 in this chapter and further defined in the Internal Revenue  
14 Code of 1954, with respect to income tax collected at source,  
15 making payment of wages to ~~either-a-resident-employee-or~~  
16 ~~employees,-or~~ a nonresident employee ~~or-employees,~~ working in  
17 Iowa, or to a resident employee, shall deduct and withhold  
18 from the wages an amount which will approximate the employee's  
19 annual tax liability on a calendar year basis, calculated on  
20 the basis of tables to be prepared by the department and  
21 schedules or percentage rates, based on the wages, to be  
22 prescribed by the department. Every employee or other person  
23 shall declare to the employer or withholding agent the number  
24 of the employee's or other person's personal exemptions and  
25 dependency exemptions or credits to be used in applying the  
26 tables and schedules or percentage rates, ~~provided-that,~~  
27 However, no more greater number of personal or dependency  
28 exemptions or credits may be declared by the employee or other  
29 person than the number to which the employee or other person  
30 is entitled except as allowed under section ~~3204(m)(1)~~  
31 3402(m)(1) of the Internal Revenue Code of 1954. The claiming  
32 of exemptions or credits in excess of entitlement is a serious  
33 misdemeanor.

34 11. a. Every person or married couple filing a joint  
35 return shall make a ~~declaration-of~~ estimated tax payments if

1 the person's or their couple's Iowa income tax attributable to  
2 income other than wages subject to withholding can reasonably  
3 be expected to amount to fifty dollars or more for the taxable  
4 year, except that, in the cases of farmers and fishermen, the  
5 exceptions provided in the Internal Revenue Code of 1954 with  
6 respect to such-declarations making estimated payments shall  
7 apply. ~~The-declaration-provided-for-herein-shall-be-filed-on~~  
8 ~~or-before-the-last-day-of-the-fourth-month-of-the-taxpayer's~~  
9 ~~tax-year-for-which-such-declaration-is-filed,-in-such-form-as~~  
10 ~~the-director-may-require-by-regulations.~~ The estimated tax  
11 shall be paid in quarterly installments. The first  
12 installment shall be paid ~~at-the-time-of-filing-the~~  
13 declaration on or before the last day of the fourth month of  
14 the taxpayer's tax year for which the estimated payments  
15 apply. The other installments shall be paid on or before June  
16 30, September 30, and January 31. However, at the election of  
17 the person or married couple ~~filing-jointly~~, any installment  
18 of the estimated tax may be paid prior to the date prescribed  
19 for its payment. ~~Whenever~~ If a person or married couple  
20 filing a joint return ~~have~~ has reason to believe that the  
21 person's or their couple's Iowa income tax may increase or  
22 decrease, either for purposes of meeting the requirement to  
23 ~~file-a-declaration-of~~ make estimated tax payments or for the  
24 purpose of increasing or decreasing ~~such-declaration,-an~~  
25 ~~amended-estimate~~ estimated tax payments, shall ~~be-filed-by-the~~  
26 ~~person-or-them-to-reflect-such~~ increase or decrease in any  
27 subsequent estimated Iowa-income tax payments accordingly.

28 b. In the case of persons or married couples filing  
29 jointly, the total balance of the tax payable after credits  
30 for taxes paid through withholding, as provided in subsection  
31 1 of this section, or through ~~declaration-and~~ payment of  
32 estimated tax, or a combination of such withholding and  
33 ~~declaration-of~~ estimated tax payments, ~~as-provided-herein,~~  
34 ~~shall-be~~ is due and payable on or before April 30, ~~next~~  
35 following the close of the calendar year, or if the return

1 ~~should~~ is to be made on the basis of a fiscal year, then on or  
2 before the last day of the fourth month next following the  
3 close of ~~such~~ the fiscal year.

4 ~~c. The declaration provided for in this section may be~~  
5 ~~filed or amended during the taxable year under regulations~~  
6 ~~prescribed by the director.~~

7 d c. If a taxpayer is unable to make the taxpayer's own  
8 ~~declaration~~ estimated tax payments, the ~~declaration~~ payments  
9 may be made by a duly authorized agent, or by the guardian or  
10 other person charged with the care of the person or property  
11 of ~~such~~ the taxpayer.

12 e d. Any amount of ~~tax paid on a declaration of~~ estimated  
13 ~~tax shall be paid~~ is a credit against the amount of tax found  
14 payable on a final, completed return, as provided in  
15 subsection 9, relating to the credit for the tax withheld  
16 against the tax found payable on a return properly and  
17 ~~correctly prepared under the provisions of section~~ sections  
18 ~~422.57, to and including section~~ through 422.25, and any  
19 overpayment of one dollar or more shall be refunded to the  
20 taxpayer and the return ~~shall constitute~~ constitutes a claim  
21 for refund for this purpose. Amounts less than one dollar  
22 shall not be refunded ~~to the taxpayer only upon written~~  
23 ~~application in accordance with section 422.747, but only if the~~  
24 ~~application is filed within twelve months after the due date~~  
25 ~~for the return.~~ The method provided by the Internal Revenue  
26 Code of 1954 for determining what is applicable to the  
27 addition to tax for underpayment of the tax payable applies to  
28 persons required to ~~file declarations and~~ make payments of  
29 estimated tax under this section except the amount to be added  
30 to the tax for underpayment of estimated tax ~~shall be~~ is an  
31 amount determined at the rate in effect under section 421.7.  
32 This addition to tax specified for underpayment of the tax  
33 payable is not subject to waiver provisions relating to  
34 reasonable cause, except as provided in the Internal Revenue  
35 Code of 1954. Underpayment of estimated tax shall be

1 determined in the same manner as provided under the Internal  
2 Revenue Code of 1954 and the exceptions therein in the  
3 Internal Revenue Code of 1954 also apply.

4 f e. In lieu of claiming a refund, the taxpayer may elect  
5 to have the overpayment shown on the taxpayer's final,  
6 completed return for the taxable year credited to the  
7 taxpayer's tax liability for the following taxable year.

8 Sec. 17. Section 422.17, Code 1985, is amended to read as  
9 follows:

10 422.17 CERTIFICATE ISSUED BY DEPARTMENT TO MAKE PAYMENTS  
11 WITHOUT WITHHOLDING.

12 Any nonresident whose Iowa income is not subject to section  
13 422.16, subsection 1, in whole or in part, and who elects to  
14 be governed by subsection 12 of said that section to the  
15 extent that the nonresident ~~makes-such-declaration-and~~ pays  
16 the entire amount of tax properly estimated ~~thereunder~~ on or  
17 before the last day of the fourth month of the nonresident's  
18 tax year, for such the year, may for ~~each-such the~~ year of  
19 ~~each-such the~~ election and such payment, be granted a  
20 certificate from the department authorizing each withholding  
21 agent, the income from whom the nonresident has ~~included~~  
22 considered in the ~~nonresident's-declaration-of-estimate~~  
23 payment of estimated tax and to the extent such the income is  
24 included in ~~such-declaration-of the~~ estimate, to make payments  
25 of income to such the nonresident without withholding such tax  
26 from such those payments. Withholding agents, ~~whenever-such~~  
27 if payments exceed the amount tax liability estimated by such  
28 the nonresident ~~upon-the-nonresident's-declaration-of~~  
29 estimate, as indicated upon such the certificate, shall  
30 ~~proceed-to~~ withhold tax in accordance with subsection 12 of  
31 section 422.16.

32 Sec. 18. Section 422.23, unnumbered paragraph 2, Code  
33 1985, is amended to read as follows:

34 The judge of the district court in which the estate of the  
35 decedent is probated may, upon application being filed by the

1 executor or administrator setting forth the income received by  
2 said the estate, fix a time and place for hearing upon said  
3 the application and prescribe the notice to be given to the  
4 director and may upon hearing determine whether or not the  
5 said estate is subject to income tax and, if the facts warrant  
6 ~~such-a~~ that finding, enter an order relieving said the  
7 executor or administrator from making an income tax report and  
8 order that the said estate is not subject to the payment of  
9 income tax. Such The order ~~shall~~ is not become final until  
10 thirty days after ~~the-same~~ it has been filed with the clerk of  
11 the district court and a copy of the order entered by the  
12 judge shall be immediately mailed to the director by said the  
13 executor or administrator ~~by-registered-mail~~ and a return  
14 filed showing the mailing of the same order.

15 Sec. 19. Section 422.25, subsection 1, Code 1985, is  
16 amended to read as follows:

17 1. Within three years after the return is filed or within  
18 three years after the return became due, including any  
19 extensions of time for filing, whichever time is the later,  
20 the department shall examine it and determine the correct  
21 amount of tax, and the amount determined by the department  
22 ~~shall-be~~ is the tax. However, if the taxpayer omits from  
23 income an amount as which will, under the Internal Revenue  
24 Code of 1954, extend the statute of limitations for assessment  
25 of federal tax to six years under the federal law, the period  
26 for examination and determination is six years. In addition  
27 to the applicable period of limitation for examination and  
28 determination, the department may make an examination and  
29 determination at any time within six months from the date of  
30 receipt by the department of written notice from the taxpayer  
31 of the final disposition of any matter between the taxpayer  
32 and the internal revenue service with respect to the  
33 particular tax year. In order to begin the running of the  
34 six-months' period, the notice shall be in writing in any form  
35 sufficient to inform the department of the final disposition

1 with respect to that year, and a copy of the federal document  
2 showing the final disposition or final federal adjustments  
3 shall be attached to the notice.

4 PARAGRAPH DIVIDED. The period for examination and  
5 determination of the correct amount of tax is unlimited in the  
6 case of a false or fraudulent return made with the intent to  
7 evade tax or in the case of a failure to file a return. In  
8 lieu of the period of limitation for any prior year for which  
9 an overpayment of tax or an elimination or reduction of an  
10 underpayment of tax due for that prior year results from the  
11 carryback to that prior year of a net operating loss or net  
12 capital loss, the period is the period of limitation for the  
13 taxable year of the net operating loss or net capital loss  
14 which results in the carryback. The burden of proof of  
15 additional tax owing under the six-year period, or unlimited  
16 period, is on the department. If the tax found due is greater  
17 than the amount paid, the department shall compute the amount  
18 due, together with interest and penalties as provided in  
19 subsection 2, and shall notify the taxpayer by certified mail  
20 of the total, which shall be computed as a sum certain if paid  
21 on or before the last day of the month in which the notice is  
22 postmarked, or on or before the last day of the following  
23 month if the notice is postmarked after the twentieth day of  
24 any month. The notice shall also inform the taxpayer of the  
25 additional interest and penalty which will be added to the  
26 total due if not paid on or before the last day of the  
27 applicable month.

28 Sec. 20. Section 422.27, subsection 1, Code Supplement  
29 1985, is amended to read as follows:

30 1. A final account of a personal representative shall not  
31 be allowed by any court ~~until thirty days after written notice~~  
32 ~~is given to the department of the proposed discharge of the~~  
33 ~~personal representative and~~ unless the account shows, and the  
34 judge of the court finds, that all taxes imposed by this  
35 division upon the personal representative, which have become

1 payable, have been paid, and that all taxes which may become  
2 due are secured by bond, deposit, or otherwise. The  
3 certificate of the director and the receipt for the amount of  
4 the tax certified ~~shall be~~ are conclusive as to the payment of  
5 the tax to the extent of the certificate.

6 Sec. 21. Section 422.28, Code 1985, is amended to read as  
7 follows:

8 422.28 REVISION OF TAX.

9 A taxpayer may appeal to the director for revision of the  
10 tax, interest, or penalties assessed at any time within ninety  
11 days from the date of the notice of the assessment of tax,  
12 additional tax, interest, or penalties. The director shall  
13 grant a hearing and if, upon the hearing, the director  
14 determines that the tax, interest, or penalties are excessive  
15 or incorrect, the director shall revise them according to the  
16 law and the facts and adjust the computation of the tax,  
17 interest, or penalties accordingly. The director shall notify  
18 the taxpayer by registered mail of the result of the hearing  
19 and shall refund to the taxpayer the amount, if any, paid in  
20 excess of the tax, interest, or penalties found by the  
21 director to be due, with interest after sixty days from the  
22 date of payment by the taxpayer at the rate in effect under  
23 section 421.7 for each month or a fraction of a month. The  
24 director may, on the director's own motion at any time, abate  
25 any portion of tax, interest, or penalties which the director  
26 determines is excessive in amount, or erroneously or illegally  
27 assessed. The director shall prepare quarterly reports, which  
28 shall be included in the annual statistical reports required  
29 under section 422.75, summarizing each case in which an  
30 abatement of tax, interest, or penalties was made under this  
31 section, but a report shall not disclose the identity of the  
32 taxpayer.

33 Sec. 22. Section 422.33, subsection 4, Code Supplement  
34 1985, is amended to read as follows:

35 4. In addition to all taxes imposed under this division,

1 there is imposed upon each corporation doing business within  
2 the state a state minimum tax for tax preference equal to  
3 seventy percent of the state's apportioned share of the  
4 federal minimum tax. The state's apportioned share of the  
5 federal minimum tax is a percent equal to the ratio of the  
6 federal minimum tax on preferences attributable to Iowa to the  
7 federal minimum tax on all preferences. The director shall  
8 prescribe rules for the determination of the amount of the  
9 federal minimum tax on preferences attributable to Iowa which  
10 shall be based as much as equitably possible on the allocation  
11 and apportionment provisions of subsections 2 and 3. For  
12 purposes of this subsection, "federal minimum tax" means the  
13 federal minimum tax for tax preferences computed under  
14 ~~sections-55-to-58~~ section 56 of the Internal Revenue Code of  
15 1954 for the tax year.

16 Sec. 23. Section 422.35, subsections 6 and 8, Code 1985,  
17 are amended to read as follows:

18 6. Subtract the amount of the ~~work-incentive-programs~~  
19 ~~credit-allowable-for-the-tax-year-under-section-40-or-the~~ jobs  
20 tax credit allowable for the tax year under section 44B 51 of  
21 the Internal Revenue Code of 1954 to the extent that the  
22 credit increased federal taxable income.

23 8. Subtract the amount of the alcohol fuel credit  
24 allowable for the tax year under section 44E 40 of the  
25 Internal Revenue Code of 1954 to the extent that the credit  
26 increased federal taxable income.

27 Sec. 24. Section 422.42, unnumbered paragraph 3, Code  
28 Supplement 1985, is amended by striking the unnumbered  
29 paragraph.

30 Sec. 25. Section 422.53, subsection 5, Code 1985, is  
31 amended to read as follows:

32 5. If the holder of a permit fails to comply with any of  
33 the provisions of this division or any ~~orders~~ order or ~~rules~~  
34 rule of the department adopted under this division, the  
35 director ~~upon-hearing-after-giving-ten-days-notice-of-the~~

1 ~~time-and-place-of-the-hearing-to-show-cause-why-the-permit~~  
2 ~~should-not-be-revoked,~~ may revoke the permit. The director  
3 shall send notice by mail to a permit holder informing that  
4 person of the director's intent to revoke the permit and of  
5 the permit holder's right to a hearing on the matter. If the  
6 permit holder petitions the director for a hearing on the  
7 proposed revocation, after giving ten days notice of the time  
8 and place of the hearing in accordance with section 17A.18,  
9 subsection 3, the matter may be heard and a decision rendered.

10 The director may restore permits after revocation. The  
11 director shall adopt rules setting forth the period of time a  
12 retailer must wait before a permit may be restored or a new  
13 permit may be issued. The waiting period shall not exceed  
14 ninety days from the date of the revocation of the permit.

15 Sec. 26. Section 422.57, subsection 1, Code 1985, is  
16 amended to read as follows:

17 1. ~~Any~~ A notice authorized or required under the  
18 ~~provisions-of~~ this division may be given by mailing the ~~same~~  
19 notice to the person for whom it is intended ~~by-certified~~  
20 ~~mail,~~ addressed to ~~such~~ that person at the address given in  
21 the last return filed by the person pursuant to ~~the-provisions~~  
22 ~~of~~ this division, or if no return has been filed, then to ~~such~~  
23 any address ~~as-may-be~~ obtainable. The mailing of ~~such~~ the  
24 ~~notice shall-be~~ is presumptive evidence of the receipt of the  
25 ~~same notice~~ by the person to whom addressed. Any period of  
26 time which is determined according to ~~the-provisions-of~~ this  
27 division by the giving of notice ~~shall-commence~~ commences to  
28 run from the date of registration and posting of ~~such~~ the  
29 notice.

30 Sec. 27. Section 422.60, unnumbered paragraph 2, Code  
31 1985, is amended to read as follows:

32 In addition to all taxes imposed under this division, there  
33 is imposed upon each financial institution doing business  
34 within the state a state minimum tax for tax preference items  
35 equal to seventy percent of the state's apportioned share of

1 the federal minimum tax. The state's apportioned share of the  
2 federal minimum tax is a percent equal to the ratio of the  
3 federal minimum tax on preferences attributable to Iowa to the  
4 federal minimum tax on all preferences. The director shall  
5 prescribe rules for the determination of the amount of the  
6 federal minimum tax on preferences attributable to Iowa which  
7 shall be based as much as equitably possible on the allocation  
8 and apportionment provisions of section 422.63. For purposes  
9 of this subsection, "federal minimum tax" means the federal  
10 minimum tax for tax preferences computed and paid or payable  
11 under ~~sections-55-to-58~~ section 56 of the Internal Revenue  
12 Code of 1954.

13 Sec. 28. Section 422.110, unnumbered paragraph 1, Code  
14 1985, is amended to read as follows:

15 In lieu of the fuel tax refund provided in sections 324.17  
16 to 324.19, ~~each~~ a person or corporation subject to taxation  
17 under divisions II or III of this chapter, except ~~these~~  
18 persons or corporations licensed under section 324.4 or  
19 324.36, may elect to receive an income tax credit for tax  
20 years beginning on or after January 1, 1975. The person or  
21 corporation which elects to receive an income tax credit shall  
22 cancel its refund permit obtained under section 324.18 within  
23 thirty days after the first day of its tax year or the permit  
24 becomes invalid at that time. For the purposes of this  
25 section ~~the-term,~~ "person" includes a person claiming a tax  
26 credit based upon the person's pro rata share of the earnings  
27 from a partnership or corporation which ~~corporation-or~~  
28 ~~partnership-as-a-business-entity~~ is not subject to a tax under  
29 division II or III of this chapter as a partnership or  
30 corporation. ~~When~~ If the election to receive an income tax  
31 credit has been made, it remains effective for at least one  
32 tax year, and for subsequent tax years unless a change is  
33 requested and a new refund permit applied for within thirty  
34 days after the first day of the person's or corporation's tax  
35 year. The income tax credit shall be the amount of the Iowa

1 fuel tax paid on fuel purchased by the person or corporation  
2 and used as follows:

3 Sec. 29. Section 422A.1, unnumbered paragraph 2, Code  
4 1985, is amended to read as follows:

5 A local hotel and motel tax shall be imposed on January 1,  
6 April 1, July 1, or October 1, following the notification of  
7 the director of revenue. Once imposed, the tax shall remain  
8 in effect at the rate imposed for a minimum of one year. A  
9 local hotel and motel tax shall terminate only on March 31,  
10 June 30, September 30, or December 31. At least sixty days  
11 prior to the tax being effective or prior to a revision in the  
12 tax rate, or prior to the repeal of the tax, a city or county  
13 shall provide notice by certified mail of such action to the  
14 director of revenue.

15 Sec. 30. Section 423.7, Code 1985, is amended to read as  
16 follows:

17 423.7 VEHICLES SUBJECT TO REGISTRATION OR ONLY TO THE  
18 ISSUANCE OF TITLE.

19 The tax imposed upon the use of vehicles subject to  
20 registration or subject only to the issuance of a certificate  
21 of title shall be paid by the owner of the vehicle to the  
22 county treasurer or the state department of transportation  
23 from whom the registration receipt or certificate of title is  
24 obtained. A registration receipt for a vehicle subject to  
25 registration or certificate of title shall not be issued until  
26 the tax has been paid. The county treasurer or the state  
27 department of transportation shall require every applicant for  
28 a registration receipt for a vehicle subject to registration  
29 or certificate of title to supply information as the county  
30 treasurer or the director deems necessary as to the time of  
31 purchase, the purchase price, and other information relative  
32 to the purchase of the vehicle. On or before the tenth day of  
33 each month the county treasurer or the state department of  
34 transportation shall remit to the department the amount of the  
35 taxes collected during the preceding month, ~~accompanied by a~~

1 copy-of-each-registration-receipt-issued-in-conjunction-with  
2 the-certificate-of-title-issued-for-each-vehicle.

3 Sec. 31. Section 425.3, unnumbered paragraph 4, Code 1985,  
4 is amended to read as follows:

5 The county auditor shall forward the claims to the board of  
6 supervisors. The board shall allow or disallow the claims.  
7 If the board disallows a claim, it shall send written notice,  
8 by certified mail, to the claimant at the claimant's last  
9 known address. The notice shall state the reasons for  
10 disallowing the claim for the credit.

11 Sec. 32. Section 425.33, unnumbered paragraph 1, Code  
12 1985, is amended to read as follows:

13 If upon petition by a claimant the department of revenue  
14 determines that a landlord has increased the claimant's rent  
15 primarily because the claimant is eligible for reimbursement  
16 under this division, the department of revenue shall request  
17 the landlord by certified mail to reduce the rent  
18 appropriately.

19 Sec. 33. Section 425.34, Code 1985, is amended to read as  
20 follows:

21 425.34 HEARINGS AND APPEALS.

22 If the department of revenue orders a landlord to reduce  
23 rent to a claimant, then upon the request of the landlord the  
24 department of revenue shall hold a prompt hearing of the  
25 matter, to be conducted in accordance with the rules of the  
26 department. The department of revenue shall give notice of  
27 the decision by certified mail to the claimant and to the  
28 landlord.

29 The claimant and the landlord shall have the rights of  
30 appeal and review as provided in section 425.31.

31 Sec. 34. Section 427.1, subsection 26, Code Supplement  
32 1985, is amended to read as follows:

33 26. REVOKING EXEMPTION. Any taxpayer or any taxing  
34 district may make application to the director of revenue for  
35 revocation for any exemption, based upon alleged violations of

1 ~~the provisions of~~ this chapter. The director of revenue may  
2 also on the director's own motion set aside any exemption  
3 which has been granted upon property for which exemption is  
4 claimed under this chapter. The director of revenue shall  
5 give notice by certified mail to the societies or  
6 organizations claiming an exemption upon property, exemption  
7 of which is questioned before or by the director of revenue,  
8 and any order made by the director of revenue revoking or  
9 modifying ~~such an exemption shall be~~ is subject to judicial  
10 review in accordance with ~~the terms of~~ the Iowa administrative  
11 procedure Act. Notwithstanding the terms of said that Act,  
12 petitions for judicial review may be filed in the district  
13 court having jurisdiction in the county in which ~~such the~~  
14 property is located, and must be filed within thirty days  
15 after any order revoking ~~such an~~ exemption is made by the  
16 director of revenue.

17 Sec. 35. Section 427.6, unnumbered paragraph 4, Code 1985,  
18 is amended to read as follows:

19 The county auditor shall forward the claims to the board of  
20 supervisors. The board shall allow or disallow the claims.  
21 If the board disallows a claim, it shall send written notice,  
22 by certified mail, to the claimant at the claimant's last  
23 known address. The notice shall state the reasons for  
24 disallowing the claim for the exemption.

25 Sec. 36. Section 429.1, Code 1985, is amended to read as  
26 follows:

27 429.1 NOTICE OF ASSESSMENT.

28 The director of revenue shall, at the time of making the  
29 assessment of property as provided in chapters 428, 433, 434,  
30 436, 437, and 438, inform the person assessed, by certified  
31 mail, of the valuation put upon the taxpayer's property. The  
32 notice shall contain a notice of the taxpayer's right of  
33 appeal to the state board of tax review as provided in section  
34 ~~429-3~~ 429.2.

35 Sec. 37. Section 435.6, unnumbered paragraph 3, Code 1985,

1 is amended to read as follows:

2 If the tax due is greater than the amount paid, the  
3 department shall compute the amount due, together with  
4 interest and penalties as provided in section 435.5, and shall  
5 notify the taxpayer by certified mail of the total if paid on  
6 or before the last day of the month in which the notice is  
7 postmarked.

8 Sec. 38. Section 437.4, Code 1985, is amended to read as  
9 follows:

10 437.4 ADDITIONAL STATEMENT.

11 Upon receipt of ~~said~~ the statements from the ~~several~~  
12 companies, the director of revenue shall examine ~~such~~ the  
13 statements, and if the director ~~shall-deem-same~~ deems them  
14 insufficient, and that further information is ~~requisite~~  
15 required, the director shall require the company making ~~same~~  
16 the statements to make ~~such~~ other or further statement as the  
17 director ~~may-desire~~ deems necessary, notifying ~~such~~ the  
18 company ~~thereof~~ by certified mail.

19 Sec. 39. Section 437.5, Code 1985, is amended to read as  
20 follows:

21 437.5 FAILURE TO FURNISH.

22 In case of the total failure or refusal to make any  
23 statement required by sections 437.2 and 437.4 to be made by  
24 May 1 in any year, or of failure or refusal to make ~~such~~ other  
25 or further statement within thirty days from the time the  
26 ~~certified-mail~~ notice ~~thereof~~ is received by ~~said~~ the company  
27 that the ~~same~~ additional statement is required by the director  
28 of revenue, ~~such~~ the company shall forfeit and pay to the  
29 state, one hundred dollars for each day the total failure or  
30 refusal to make any report is continued beyond the ~~said~~ first  
31 day of May of the year in which it is required, or in case of  
32 any ~~such~~ other or further report required by the director for  
33 each day ~~the-same~~ it is delayed beyond thirty days from the  
34 receipt of the notice by ~~said~~ the company that ~~same~~ the  
35 additional report is required, ~~-such.~~ The forfeiture to shall

1 be sued for and recovered in any proper form of action in the  
2 name of the state and on relation of the director of revenue  
3 of the state, and such the penalty, when collected, shall be  
4 paid into the general fund of the state.

5 Sec. 40. Section 441.65, Code 1985, is amended to read as  
6 follows:

7 441.65 PLATTING FOR ASSESSMENT AND TAXATION BY AUDITOR.

8 Whenever If a lot or subdivision of land is owned by two or  
9 more persons in severalty, and the description of one or more  
10 of the different parts or parcels thereof cannot, in the  
11 judgment of the county auditor or the assessor, be made  
12 sufficiently certain and accurate for the purposes of  
13 assessment and taxation without noting the metes and bounds of  
14 the same property, or whenever if the proprietor of any a  
15 subdivision of land has sold or conveyed any part thereof of  
16 it, or invested the public with any rights therein in it, and  
17 has failed to file for record a plat as provided in chapter  
18 409, the county auditor ~~by-certified-mail~~ shall notify all of  
19 the owners by mail, and demand compliance. If the owners fail  
20 to execute and file the plat within sixty days after the  
21 issuance of such the notice to execute and file ~~said the~~ plat  
22 for record, the auditor shall cause make a plat ~~to-be-made-as~~  
23 ~~the-auditor-deems-appropriate~~ in accordance with the  
24 ~~provisions-of~~ chapter 409. The auditor may contract for the  
25 services of a registered land surveyor as necessary to comply  
26 with this section.

27 PARAGRAPH DIVIDED. Every conveyance of land in this state  
28 ~~shall-be~~ is deemed to be a warranty that the description  
29 ~~therein~~ contained in the conveyance is sufficiently definite  
30 and accurate to enable the auditor to enter ~~the-same~~ it on the  
31 plat book required to be kept; ~~and-when~~. When there is  
32 presented for entry on the transfer book any a conveyance in  
33 which the description is not sufficiently definite and  
34 accurate, the auditor shall note such fact on the deed, with  
35 that of the entry for transfer, and shall notify the person

1 presenting it that the land therein is not sufficiently  
2 described, and that it must be platted within sixty days  
3 thereafter. If the grantor in the conveyance shall neglect  
4 neglects for sixty days thereafter to file for record a plat  
5 thereof of the property, then the auditor shall proceed as is  
6 provided in this section, and cause make the plat to-be-made  
7 in accordance with ~~the provisions of~~ chapter 409 and recorded  
8 record the plat in the ~~office~~ offices of the auditor, and ~~the~~  
9 ~~office of~~ the county recorder, and ~~in the office of~~ the  
10 assessor.

11 Sec. 41. Section 443.7, Code 1985, is amended to read as  
12 follows:

13 443.7 NOTICE.

14 Before assessing and listing for taxation any omitted  
15 property, the assessor or auditor shall notify by certified  
16 mail the ~~person, firm, corporation, or administrator or other~~  
17 ~~person~~ in whose name the property is taxed, to appear before  
18 the assessor or auditor at the assessor's or auditor's office  
19 within ten days from the time date of said the notice and show  
20 cause, if any ~~there-be~~, why such the correction or assessment  
21 should not be made.

22 Sec. 42. Section 447.9, Code 1985, is amended to read as  
23 follows:

24 447.9 NOTICE OF EXPIRATION OF RIGHT OF REDEMPTION.

25 After two years and nine months from the date of sale, or  
26 after nine months from the date of a sale made under the  
27 ~~provisions of~~ section 446.18, 446.38 or 446.39, the holder of  
28 the certificate of purchase may cause to be served upon the  
29 person in possession of the real estate, and also upon the  
30 person in whose name the real estate is taxed, if the person  
31 resides in the county where the land is situated, in the  
32 manner provided for the service of original notices, a notice  
33 signed by the certificate holder or the certificate holder's  
34 agent or attorney, stating the date of sale, the description  
35 of the property sold, the name of the purchaser, and that the

1 right of redemption will expire and a deed for the land be  
2 made unless redemption is made within ninety days from the  
3 completed service of the notice. When the notice is given by  
4 a county as a holder of a certificate of purchase the notice  
5 shall be signed by the county treasurer, and when given by a  
6 city, it shall be signed by the city officer designated by  
7 resolution of the council. When the notice is given by the  
8 Iowa housing finance authority or a city or county agency  
9 holding the property as part of an Iowa homesteading project,  
10 it shall be signed on behalf of the agency or authority by one  
11 of its officers, as authorized in rules of the agency or  
12 authority.

13 PARAGRAPH DIVIDED. Service of the notice shall also be  
14 made by certified mail on any mortgagee or assignee of record,  
15 whether resident or nonresident of the county, if the  
16 mortgagee's or assignee's address is disclosed by the recorded  
17 instrument or by a certificate showing the address of the  
18 mortgagee or assignee duly filed with the recorder, or the  
19 state of Iowa in case of an old-age assistance lien by service  
20 upon the state department of human services. The notice shall  
21 also be served on any city where the real estate is situated.

22 Sec. 43. Section 450.58, Code Supplement 1985, is amended  
23 to read as follows:

24 450.58 FINAL SETTLEMENT TO SHOW PAYMENT.

25 The final settlement of the account of a personal  
26 representative shall not be accepted or allowed ~~until thirty~~  
27 ~~days after written notice is given to the department of the~~  
28 ~~proposed discharge of the personal representative and~~ unless  
29 it shows, and the court finds, that all taxes imposed by this  
30 chapter upon any property or interest in property that is made  
31 payable by the personal representative and to be settled by  
32 the account, has been paid, and that the receipt of the  
33 department of revenue for the tax has been obtained as  
34 provided in section 450.64. Any order contravening this  
35 section is void.

1 Sec. 44. Section 450.94, subsection 3, Code Supplement  
2 1985, is amended to read as follows:

3 3. If the amount paid is greater than the correct tax,  
4 penalty, and interest due, the department shall refund the  
5 excess, with interest after sixty days from the date of  
6 payment at the rate in effect under section 421.7, under the  
7 rules prescribed by the director. However, the director shall  
8 not allow a claim for refund or credit that has not been filed  
9 with the department within three years after the tax payment  
10 upon which a refund or credit is claimed became due, or one  
11 year after the tax payment was made, whichever time is the  
12 later. A determination by the department of the amount of  
13 tax, penalty, and interest due, or the amount of refund for  
14 excess tax paid, is final unless the person aggrieved by the  
15 determination appeals to the director for a revision of the  
16 determination within ninety days from the postmark date of the  
17 notice of determination of tax, penalty, and interest due or  
18 refund owing. The director shall grant a hearing, and upon  
19 the hearing the director shall determine the correct tax,  
20 penalty, and interest or refund due, and notify the appellant  
21 of the decision by certified mail. The decision of the  
22 director is final unless the appellant seeks judicial review  
23 of the director's decision under section 450.59 within sixty  
24 days after the postmark date of the notice of the director's  
25 decision.

26 Sec. 45. Section 450A.2, unnumbered paragraph 1, Code  
27 1985, is amended to read as follows:

28 A tax is hereby imposed on the transfer of any property,  
29 included in a generation skipping transfer occurring at the  
30 same time as, or after, the death of the deemed transferor,  
31 equal to the amount of the maximum federal credit allowable  
32 under section ~~2602(e)~~ 2602(c)(5)(B) of the Internal Revenue  
33 Code of 1954, for that portion of state estate, inheritance,  
34 legacy, or succession tax paid in respect of any property  
35 included in the generation skipping transfer.

1 Sec. 46. Section 451.6, Code 1985, is amended to read as  
2 follows:

3 451.6 PAYMENT OF TAX.

4 The tax imposed by this chapter shall be paid by the  
5 personal representative to the department of revenue within  
6 ~~twelve-months-from-the-date-of~~ on or before the last day of  
7 the ninth month after the death of such the decedent, ~~or in~~  
8 ~~case-such-decedent-died-more-than-twelve-months-prior-to-April~~  
9 ~~12, 1929, then within six months after the effective date~~  
10 hereof.

11 Sec. 47. Section 428A.14, Code 1985, is repealed.

12 Sec. 48. Sections 434.2, 434.3, 434.4, and 434.5, Code  
13 1985, are repealed.

14 Sec. 49. Sections 20 and 43 are effective for final  
15 reports of personal representatives filed on or after July 1,  
16 1985 and to this extent these sections are retroactive.

17 Sec. 50. Sections 13, 15, 16, 17, 22, 23, 27, 45, and 47  
18 are retroactive to January 1, 1986 for tax years beginning on  
19 or deemed transferors dying on or after January 1, 1986.

20 Sec. 51. Section 46 is effective for estates of decedents  
21 dying on or after July 1, 1986.

22 Sec. 52. Section 4 is effective January 1, 1987.

23 EXPLANATION

24 The bill deletes the requirement that city councils and  
25 county boards of supervisors certify the issuance of retail  
26 cigarette permits to the department of revenue.

27 The bill eliminates the one dollar fee for a motor fuel tax  
28 refund permit, provides for the invalidation rather than  
29 revocation of a permit if the holder does not use it to claim  
30 a refund for one year or moves from one county to another and  
31 provides that a permit becomes invalid if the holder claims an  
32 income tax credit in lieu of a refund but does not voluntarily  
33 cancel the permit.

34 The bill changes references in the Iowa Code to sections in  
35 the Internal Revenue Code which have been revised in the last

1 several years. In addition, the Act also deletes references  
2 to the work incentive credit, since this credit was repealed  
3 for tax years beginning after 1981. Finally, the Act deletes  
4 section 428A.14 since the federal tax resulting in the credit  
5 was not applicable after 1967.

6 The bill eliminates the requirement for taxpayers to make  
7 declarations for estimated tax purposes, although it does not  
8 eliminate the requirement for taxpayers whose incomes are not  
9 subject to withholding tax to make estimated tax payments.  
10 This change conforms to federal income tax law which  
11 eliminated the requirement for estimate declarations for tax  
12 years beginning after 1982. The bill also removes the  
13 requirement for the department of revenue to issue income tax  
14 refunds for amounts less than one dollar.

15 Sections 20 and 43 repeal the requirement that the personal  
16 representative of an estate or trust give the department of  
17 revenue notice of discharge thirty days prior to being  
18 discharged by the court. Section 49 makes repeal of the  
19 notice retroactive to reports of personal representatives  
20 filed on or after July 1, 1985, which was the effective date  
21 of the notice requirement.

22 The bill eliminates the requirement that a vending machine  
23 or amusement device operator place a sticker on each machine  
24 or device identifying the sales tax permit number of the  
25 operator and the penalty for failure to do so.

26 The bill amends the law to allow the department of revenue  
27 to notify a permit holder by mail that the permit will be  
28 revoked unless the permit holder requests a hearing. A  
29 hearing to determine if the permit should be revoked will be  
30 held only if the permit holder requests a hearing.

31 Sections 2, 3, 4, 5, 19, 21, 26, 32, 33, 34, 36, 37, 38,  
32 39, and 45 eliminate the requirement that the department of  
33 revenue send certain taxpayer notices by certified or  
34 registered mail. Sections 18 and 20 provide that certain  
35 notices to the department no longer must be sent by certified

1 mail. Sections 8, 9, 10, 11, 12, 13, 31, 35, 40, 41, and 42  
2 eliminate the requirement that local government notifications  
3 to taxpayers be sent by certified mail. All of these notices  
4 may now just be mailed.

5 The bill deletes the requirement that county treasurers and  
6 the department of transportation send a copy of each vehicle  
7 registration receipt issued to the department of revenue.

8 This bill, in section 48, repeals the requirement that  
9 railroad companies submit to the department of revenue annual  
10 updates of a 1904 land ownership record and the requirement  
11 that the department annually update and maintain the records.

12 The inheritance tax is due on or before the last day of the  
13 ninth month following the decedent's death. The Iowa estate  
14 tax should be paid at the same time the inheritance tax is  
15 paid, because both of the Iowa death taxes must be paid before  
16 they are allowable as a credit against the federal estate tax.  
17 When the due date for inheritance tax was changed in 1984, the  
18 due date of the Iowa estate tax was not changed due to an  
19 oversight. Section 46 of this legislation synchronizes the  
20 due date for the two death taxes.

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## SENATE AMENDMENT TO HOUSE FILE 2471

H-6033

Amend House File 2471, as amended and passed by the House, as follows:

1. Page 15, by striking lines 6 through 32 and inserting the following:  
 "Sec. \_\_\_\_ . Section 422.28, Code 1985, as amended by House File 764, enacted by the Seventy-first General Assembly, 1986 Session, is amended to read as follows:

422.28 REVISION OF TAX.

A taxpayer may appeal to the director for revision of the tax, interest or penalties assessed at any time within ~~thirty~~ sixty days from the date of the notice of the assessment of tax, additional tax, interest or penalties. The director shall grant a hearing and if, upon the hearing, the director determines that the tax, interest or penalties are excessive or incorrect, the director shall revise them according to the law and the facts and adjust the computation of the tax, interest or penalties accordingly. The director shall notify the taxpayer by registered mail of the result of the hearing and shall refund to the taxpayer the amount, if any, paid in excess of the tax, interest or penalties found by the director to be due, with interest after sixty days from the date of payment by the taxpayer at the rate in effect under section 421.7 for each month or a fraction of a month. The director may, on the director's own motion at any time, abate any portion of tax, interest or penalties which the director determines is excessive in amount, or erroneously or illegally assessed. The director shall prepare quarterly reports, which shall be included in the annual statistical reports required under section 422.75, summarizing each case in which an abatement of tax, interest or penalties was made under this section, but a report shall not disclose the identity of the taxpayer."

2. Page 16, by inserting after line 29 the following:

"Sec. \_\_\_\_ . Section 422.45, subsection 27, paragraph a, subparagraph (1), Code Supplement 1985, is amended to read as follows:

(1) "Insurance company" means an insurer organized or operating under chapters 508, 514, 515, 518, 519, 520 or authorized to do business in Iowa as an insurer and having fifty or more persons employed in this state excluding licensed insurance agents."

2. Renumber sections and correct internal references as necessary in accordance with this amendment.

3. By renumbering, relettering, or redesignating

Page Two

1 and correcting internal references as necessary.

H-6033 FILED APRIL 25, 1986

RECEIVED FROM THE SENATE

*House concurred 4/29 (p. 1865) Reconsidered (p. 1873)*

*Amended (6053) & concurred (p. 1874)*

HOUSE FILE 2471

H-6053

1 Amend Senate amendment H-6033 to House File 2471 as  
2 passed by the House as follows:

3 1. Page 1, by inserting after line 46 the  
4 following:

5 \_\_\_\_\_. Page 24, lines 30 and 31, by striking the  
6 words "if the person resides in the county where the  
7 land is situated," and inserting the words "if-the  
8 person-resides-in-the-county-where-the-land-is  
9 situated,".

10 \_\_\_\_\_. Page 25, line 8, by striking the word  
11 "housing" and inserting the word "housing".

12 \_\_\_\_\_. Page 25, lines 14 through 18, by striking  
13 the words "or assignee of record, whether resident or  
14 nonresident of the county, if the mortgagee's or  
15 assignee's address is disclosed by the recorded  
16 instrument or by a certificate showing the address of  
17 the mortgagee or assignee duly filed with the  
18 recorder, or" and inserting the words "or-assignee-of  
19 record,-whether-resident-or-nonresident-of-the-county,  
20 if-the-mortgagee's-or-assignee's-address-is-disclosed  
21 by-the-recorded-instrument-or-by-a-certificate-showing  
22 the-address-of-the-mortgagee-or-assignee-duly-filed  
23 with-the-recorder,-or having a lien upon the real  
24 estate, a vendor of the real estate under a recorded  
25 contract of sale, a lessor who has a recorded lease or  
26 memorandum of a recorded lease, and any other person  
27 who has an interest of record, at the person's last  
28 known address, and on"."

H-6053 FILED APRIL 29, 1986 BY DODERER of Johnson

ADOPTED (p 1874)

HOUSE FILE 2471

S-5741

1 Amend House File 2471, as amended and passed by the  
2 House, as follows:

3 1. Page 15, by striking lines 6 through 32 and  
4 inserting the following:

5 "Sec. \_\_\_\_ . Section 422.28, Code 1985, as amended  
6 by House File 764, enacted by the Seventy-first  
7 General Assembly, 1986 Session, is amended to read as  
8 follows:

9 422.28 REVISION OF TAX.

10 A taxpayer may appeal to the director for revision  
11 of the tax, interest or penalties assessed at any time  
5744 12 within ~~thirty~~ ninety days from the date of the notice  
13 of the assessment of tax, additional tax, interest or  
14 penalties. The director shall grant a hearing and if,  
15 upon the hearing, the director determines that the  
16 tax, interest or penalties are excessive or incorrect,  
17 the director shall revise them according to the law  
18 and the facts and adjust the computation of the tax,  
19 interest or penalties accordingly. The director shall  
20 notify the taxpayer by registered mail of the result  
21 of the hearing and shall refund to the taxpayer the  
22 amount, if any, paid in excess of the tax, interest or  
23 penalties found by the director to be due, with  
24 interest after sixty days from the date of payment by  
25 the taxpayer at the rate in effect under section 421.7  
26 for each month or a fraction of a month. The director  
27 may, on the director's own motion at any time, abate  
28 any portion of tax, interest or penalties which the  
29 director determines is excessive in amount, or  
30 erroneously or illegally assessed. The director shall  
31 prepare quarterly reports, which shall be included in  
32 the annual statistical reports required under section  
33 422.75, summarizing each case in which an abatement of  
34 tax, interest or penalties was made under this  
35 section, but a report shall not disclose the identity  
36 of the taxpayer."

S-5741 Filed and adopted April 24, 1986 BY HOLDEN

*Adopted or amended by 5744  
4/24 (p. 1383)*

S-5742

1 Amend House File 2471, as amended and passed by the  
2 House, as follows:  
3 1. Page 16, by inserting after line 29 the  
4 following:  
5 "Sec. \_\_\_\_ . Section 422.45, subsection 27,  
6 paragraph a, subparagraph (1), Code Supplement 1985,  
7 is amended to read as follows:  
8 (1) "Insurance company" means an insurer organized  
9 or operating under chapters 508, 514, 515, 518, 519,  
10 520 or authorized to do business in Iowa as an insurer  
11 and having fifty or more persons employed in this  
12 state excluding licensed insurance agents."  
13 2. Renumber sections and correct internal  
14 references as necessary in accordance with this  
15 amendment.

S-5742 Filed and adopted April 24, 1986 BY HOLDEN

*(f. 1383)*

HOUSE FILE 2471

S-5744

Amend amendment S-5741 to House File 2471, as  
amended and passed by the House, as follows:

1. Page 1, line 12, by striking the word  
"ninety" and inserting the word "sixty".

S-5744 Filed and adopted April 24, 1986 BY BRUNER, HOLDEN

*Adopted 4/24 (f. 1383)*

HOUSE AMENDMENT TO  
SENATE AMENDMENT TO  
HOUSE FILE 2471

S-5777

1 Amend Senate amendment H-6033 to House File 2471 as  
2 passed by the House as follows:

3 1. Page 1, by inserting after line 46 the  
4 following:

5 "\_\_\_\_\_. Page 24, lines 30 and 31, by striking the  
6 words "if the person resides in the county where the  
7 land is situated," and inserting the words "~~if-the~~  
8 ~~person-resides-in-the-county-where-the-land-is~~  
9 ~~situated,~~".

10 \_\_\_\_\_. Page 25, line 8, by striking the word  
11 "housing" and inserting the word "housing".

12 \_\_\_\_\_. Page 25, lines 14 through 18, by striking  
13 the words "or assignee of record, whether resident or  
14 nonresident of the county, if the mortgagee's or  
15 assignee's address is disclosed by the recorded  
16 instrument or by a certificate showing the address of  
17 the mortgagee or assignee duly filed with the  
18 recorder, or" and inserting the words "~~or-assignee-of~~  
19 ~~record,-whether-resident-or-nonresident-of-the-county,~~  
20 ~~if-the-mortgagee's-or-assignee's-address-is-disclosed~~  
21 ~~by-the-recorded-instrument-or-by-a-certificate-showing~~  
22 ~~the-address-of-the-mortgagee-or-assignee-duly-filed~~  
23 ~~with-the-recorder,-or~~ having a lien upon the real  
24 estate, a vendor of the real estate under a recorded  
25 contract of sale, a lessor who has a recorded lease or  
26 memorandum of a recorded lease, and any other person  
27 who has an interest of record, at the person's last  
28 known address, and on"."

S-5777 Filed April 29, 1986  
REC'D FROM THE HOUSE

**ADOPTED**

*Senate concurred 4/29 (p. 1443)*

Ways and Means: Doderer, Chair; Rosenberg and Schnekloth.

WAYS AND MEANS

*Now*  
*HF 2471*

SENATE/HOUSE FILE 2471  
BY (PROPOSED GOVERNOR'S BILL)

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

1 An Act relating to taxation, by amending administrative  
2 requirements of taxpayers, taxpayers' representatives, and  
3 public and taxing authorities, including nonsubstantive and  
4 technical corrections and making certain provisions of the Act  
5 retroactive.

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

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1 Section 1. Section 98.13, subsection 2, Code 1985, is  
2 amended to read as follows:

3 2. ISSUANCE. The department shall issue state permits to  
4 distributors, wholesalers, and cigarette vendors subject to  
5 the conditions provided in this division. Cities may issue  
6 retail permits to dealers within their respective limits.  
7 County boards of supervisors may issue retail permits to  
8 dealers in their respective counties, outside of the corporate  
9 limits of cities. ~~Upon issuance of a retail permit by a city  
10 council or board of supervisors, the council or board shall  
11 forthwith certify to the department the action taken.~~

12 Sec. 2. Section 98.22, subsection 1, Code 1985, is amended  
13 to read as follows:

14 1. If any a person holding a permit issued by the  
15 department under this division, including a retailer permit  
16 for railway car, has willfully violated ~~the provisions of~~  
17 section 98.2, the department shall revoke the permit issued to  
18 the person upon notice and hearing. If the person violates  
19 any other provision of this division, or any rule promulgated  
20 adopted under this division, the department may revoke the  
21 permit issued to the person, after giving the permit holder an  
22 opportunity to be heard upon ten days' written notice stating  
23 the reason for the contemplated revocation and the time and  
24 place at which the person may appear and be heard. The  
25 hearing shall be held in the county of the permit holder's  
26 place of business, or in a county in or through which it  
27 transacts business. The notice shall be given by mailing a  
28 ~~copy by certified mail~~ to the permit holder's place of  
29 business as ~~the same~~ it appears on the application for a  
30 permit. If, upon hearing, the department finds that the  
31 violation has occurred, the department may revoke the permit.

32 Sec. 3. Section 98.29, Code 1985, is amended to read as  
33 follows:

34 98.29 NOTICE AND APPEAL.

35 The department shall notify any person assessed pursuant to

1 section 98.28 by sending a written notice of ~~such~~ the  
2 determination and assessment by certified mail to the  
3 principal place of business of ~~such~~ the person as shown on the  
4 person's application for permit, ~~if-any,~~ and ~~in-case~~ if no  
5 ~~such~~ application was filed by ~~such~~ the person, to the person's  
6 last known address. Judicial review of action of the  
7 department may be sought in accordance with the ~~terms-of-the~~  
8 Iowa administrative procedure Act and section 422.29.

9 Sec. 4. Section 98.48, subsection 2, Code 1985, is amended  
10 to read as follows:

11 2. Every A hearing conducted under this division shall be  
12 preceded by ten days' notice in writing of the subject of the  
13 hearing, including, in the case of suspension or revocation,  
14 of a license, a statement of the nature of the charges against  
15 the licensee. The notice shall be sent by registered mail to  
16 the last known address of the licensee or other person  
17 involved in the hearing, and the service shall be complete  
18 upon mailing. After every hearing the director shall make the  
19 director's findings and order in writing. The findings and  
20 order shall be filed in the office of the director, and a copy  
21 sent by mail or otherwise to the person to whom the notice was  
22 directed.

23 Sec. 5. Section 324.18, Code 1985, is amended to read as  
24 follows:

25 324.18 REFUND PERMIT.

26 No A person ~~may~~ shall not claim a refund under section  
27 324.17 or section 324.21 until the person ~~shall-have~~ has  
28 obtained a refund permit from the department of revenue and  
29 ~~paid-the-fee-therefor.~~ A special permit shall be obtained by  
30 applicants claiming a refund ~~under the-provisions-of~~ this  
31 chapter on account of motor fuel used for the purpose of  
32 operating aircraft or used to blend gasohol. Application for  
33 a refund permit shall be made to the department of revenue on  
34 a form provided by the department of revenue, shall be  
35 certified by the applicant under penalty for false certificate

1 and shall contain among other things, the name, the address,  
2 and occupation of the applicant, the nature of the applicant's  
3 business, and a sufficient description for identification of  
4 the machines and equipment in which is to be used motor fuel  
5 for which refund may be claimed under the permit. Each permit  
6 shall bear a separate number and each claim for refund shall  
7 bear the number of the permit under which it is made. The  
8 department of revenue shall keep a permanent record of all  
9 permits issued and a cumulative record of the amount of refund  
10 claimed and paid under each. ~~A fee of one dollar shall be~~  
11 ~~collected by the department of revenue from each person to~~  
12 ~~whom a refund permit is issued.~~ A refund permit shall  
13 continue in effect until it is revoked or ~~until the claimant~~  
14 ~~shall have moved from the county with which the claimant's~~  
15 ~~refund permit is identified~~ becomes invalid.

16 Sec. 6. Section 324.19, unnumbered paragraph 2, Code 1985,  
17 is amended to read as follows:

18 A person whose refund permit is revoked for cause ~~(except~~  
19 ~~nonuse)~~ may not obtain another refund permit for a period of  
20 one year after the revocation. A refund permit under which no  
21 refund is claimed for a period of one year ~~from date of~~  
22 ~~issuance~~ or a refund permit whose holder has moved from the  
23 county ~~wherein~~ in which the holder resided at the time of  
24 application for ~~said~~ the permit ~~shall be revoked by the~~  
25 ~~department of revenue~~ is invalid subject to reinstatement or  
26 issuance of a new permit upon application as provided in  
27 section 324.18.

28 Sec. 7. Section 324.68, unnumbered paragraph 1, Code 1985,  
29 is amended to read as follows:

30 If a licensee files a false report of the data or  
31 information required by this chapter, or fails, refuses, or  
32 neglects to file a report required by this chapter, or to pay  
33 the full amount of fuel tax as required by this chapter, then  
34 after ten days' written notice by registered mail directed to  
35 the last known address of the licensee setting a time and

1 place at which the licensee may appear and show cause why the  
2 license should not be canceled, and if the licensee fails to  
3 appear or if upon the hearing it is shown by a preponderance  
4 of the evidence that the failure to correctly report or pay  
5 was with intent to evade the tax, the appropriate state agency  
6 may cancel the license and shall notify the licensee of the  
7 cancellation by registered mail to the licensee's last known  
8 address.

9 Sec. 8. Section 384.50, unnumbered paragraph 3, Code 1985,  
10 is amended to read as follows:

11 Not less than fifteen days before the hearing, the clerk  
12 shall send a copy of the notice by certified mail to each  
13 property owner whose property is subject to assessment for the  
14 improvement at the address as shown by the records of the  
15 county auditor. If a property is shown to be in the name of  
16 more than one owner at the same mailing address, a single  
17 notice may be mailed addressed to all owners at that address.  
18 Failure to receive a mailed notice is not a defense to the  
19 special assessment.

20 Sec. 9. Section 384.51, unnumbered paragraph 1, Code 1985,  
21 is amended to read as follows:

22 The council shall meet as specified in the published  
23 notice, and after hearing all objections and endorsements from  
24 property owners and other persons having an interest in the  
25 matter, and after considering all filed, written objections,  
26 may adopt or amend and adopt the proposed resolution of  
27 necessity, or may defer action until a subsequent meeting. A  
28 resolution of necessity requires for passage the vote of  
29 three-fourths of all the members of the council, or, in cities  
30 having but three members of the council, the vote of two  
31 members, and where a remonstrance has been filed with the  
32 clerk, signed by the owners subject to seventy-five percent of  
33 the amount of the proposed assessments for the entire public  
34 improvement included in the resolution of necessity, a  
35 resolution of necessity requires a unanimous vote of the

1 council.

2 PARAGRAPH DIVIDED. An amendment which extends the  
3 boundaries of a district, increases the amount to be assessed  
4 against a lot, or adds additional public improvements, is not  
5 effective until an amended plat, schedule, and estimate have  
6 been prepared and adopted, a notice published and mailed by  
7 ~~certified-mail~~ to all affected property owners, and hearing  
8 held in the same manner as the original proceedings, or until  
9 all affected property owners agree in writing to the change.  
10 The adoption of a resolution of necessity is a legislative  
11 determination that the improvement is expedient and proper and  
12 that property assessed will be specially benefited thereby by  
13 the improvement and this determination of the council is  
14 conclusive. Ownership of property to be assessed by any an  
15 improvement ~~shall~~ does not, except for fraud or bad faith,  
16 disqualify a council member from voting on any measure.

17 Sec. 10. Section 384.56, subsection 3, Code 1985, is  
18 amended to read as follows:

19 3. When any portion of the cost of a public improvement is  
20 to be paid by the state under this section, the clerk shall  
21 send, at the time of publication of the notice required by  
22 section 384.50, mail a copy of the notice to the secretary of  
23 the executive council ~~by-restricted-certified-mail~~.

24 Sec. 11. Section 384.60, unnumbered paragraph 2, Code  
25 1985, is amended to read as follows:

26 On or before the second publication of the notice, the  
27 clerk shall send by certified mail to each property owner  
28 whose property is subject to assessment for the improvement,  
29 as shown by the records in the office of the county auditor, a  
30 copy of the notice. The notice shall also include a statement  
31 in substance that assessments may be paid in full or in part  
32 without interest within thirty days after the date of the  
33 first notice of the final assessment schedule, and thereafter  
34 all unpaid special assessments bear interest at the rate  
35 specified by the council, but not exceeding that permitted by

1 chapter 74A, computed to the December 1 next following the due  
2 dates of the respective installments as provided in section  
3 384.65, subsection 3, and each installment will be delinquent  
4 on September 30 following its due date, and will draw  
5 additionally the same delinquent interest and the same  
6 penalties as ordinary taxes. The notice shall also state  
7 substantially that property owners may elect to pay any  
8 installment semiannually in advance. If a property is shown  
9 by the records to be in the name of more than one owner at the  
10 same mailing address, a single notice may be mailed to all  
11 owners at that address. Failure to receive a mailed notice is  
12 not a defense to the special assessment.

13 Sec. 12. Section 384.63, unnumbered paragraph 2, Code  
14 1985, is amended to read as follows:

15 The council shall, by resolution, provide that the  
16 deficiencies for the lots specially benefited by a public  
17 improvement shall be certified to the county treasurer, who  
18 shall record them in a separate book entitled "Special  
19 Assessment Deficiencies", and to the appropriate city official  
20 charged with the responsibility of issuing building permits,  
21 who shall notify the council when a private improvement is  
22 subsequently constructed on any lot subject to a deficiency.  
23 Certification to the county treasurer shall include a legal  
24 description of each lot. The period of amortization for a  
25 public improvement for which there are deficiencies shall  
26 commence with the adoption of the resolution of necessity and  
27 extend for the same period for which installments of  
28 assessments for the project are made payable. Deficiencies  
29 may be assessed only during the period of amortization, which  
30 shall also be certified to the county treasurer and the city  
31 official charged with the responsibility of issuing building  
32 permits. Certification to the county treasurer shall include  
33 a legal description of each lot.

34 PARAGRAPH DIVIDED. When a private improvement is  
35 constructed on a lot subject to a deficiency, during the

1 period of amortization, the council shall, by resolution,  
2 assess a pro rata portion of the deficiency on that lot, in  
3 the same proportion to the total deficiency on that lot as the  
4 number of future installments of special assessments remaining  
5 to be paid is to the total number of installments of  
6 assessments for the project, subject to the twenty-five  
7 percent limitation of section 384.62. A deficiency assessment  
8 becomes a lien on the property and is payable in the same  
9 manner, and subject to the same interest and penalties as the  
10 other special assessments. The council shall direct the clerk  
11 to certify a deficiency assessment to the county treasurer,  
12 and to send a notice of the deficiency assessment by certified  
13 mail to each owner, as provided in section 384.60, subsection  
14 5, but publication of the notice is not required.

15 PARAGRAPH DIVIDED. An owner may appeal from the amount of  
16 the assessment within thirty days of the date notice is  
17 mailed. County officials shall collect a deficiency  
18 assessment, commencing in the year following the assessment,  
19 in the manner provided for the collection of other special  
20 assessments. Upon collection, the county treasurer shall make  
21 the appropriate credit entries in the "Special Assessment  
22 Deficiencies" book, and shall credit the amounts collected as  
23 provided for other special assessments on the same public  
24 improvement, or to the city, to the extent that the deficiency  
25 has been previously paid from other city funds.

26 Sec. 13. Section 422.7, subsections 9 and 11, Code  
27 Supplement 1985, are amended to read as follows:

28 9. Subtract the amount of ~~the-work-incentive-programs~~  
29 ~~credit-allowable-for-the-taxable-year-under-section-40-or~~ the  
30 jobs tax credit allowable for the tax year under section 44B  
31 51 of the Internal Revenue Code of 1954 to the extent that the  
32 credit increased federal adjusted gross income.

33 11. Subtract the amount of the alcohol fuel credit  
34 allowable for the tax year under section ~~44E~~ 40 of the  
35 Internal Revenue Code of 1954 to the extent that the credit

1 increased federal adjusted gross income.

2 Sec. 14. Section 422.10, unnumbered paragraph 1, Code  
3 Supplement 1985, is amended to read as follows:

4 The taxes imposed under this division shall be reduced by a  
5 state tax credit for increasing research activities in this  
6 state. For individuals, the credit shall equal six and one-  
7 half percent of the state's apportioned share of the  
8 qualifying expenditures for increasing research activities.  
9 The state's apportioned share of the qualifying expenditures  
10 for increasing research activities is a percent equal to the  
11 ratio of qualified research expenditures in this state to  
12 total qualified research expenditures. For purposes of this  
13 section, an individual may claim a research credit for  
14 qualifying research expenditures incurred by a partnership,  
15 subchapter S corporation, and estate or trust electing to have  
16 the income taxed directly to the individual. The amount  
17 claimed by the individual shall be based upon the pro rata  
18 share of the individual's earnings of a partnership,  
19 subchapter S corporation, or estate or trust. For purposes of  
20 this section, "qualifying expenditures for increasing research  
21 activities" means the qualifying expenditures as defined for  
22 the federal credit for increasing research activities computed  
23 under section 30 of the Internal Revenue Code of 1954, as  
24 amended to and including January 1, ~~1983~~ 1985. The research  
25 activities credit is applicable for taxable years beginning  
26 after December 31, 1985 to the same extent that the credit is  
27 applicable for federal income tax purposes for taxable years  
28 beginning after December 31, 1985.

29 Sec. 15. Section 422.12, subsections 2 and 3, Code 1985,  
30 are amended to read as follows:

31 2. A child and dependent care credit equal to ten percent  
32 of the qualifying employment-related expenses and subject to  
33 the same limitations provided by section ~~44A~~ 21 of the  
34 Internal Revenue Code of 1954.

35 Married taxpayers electing to file separate returns or

1 filing separately on a combined return must allocate the child  
2 and dependent care credit to each spouse in the proportion  
3 that each spouse's respective net income bears to the total  
4 combined net income. Taxpayers affected by the allocation  
5 provisions of section 422.8 shall be permitted a deduction for  
6 the credit only in the amount ~~as-is~~ fairly and equitably  
7 allocable to Iowa under rules prescribed by the director.

8 3. A political contributions credit equal to five percent  
9 of the first one hundred dollars donated as a political  
10 contribution as defined in section ~~41(e)~~ 24(c) of the Internal  
11 Revenue Code of 1954. In the case of a married couple filing  
12 a joint return, a political contributions credit equal to five  
13 percent of the first two hundred dollars donated shall be  
14 allowed.

15 Sec. 16. Section 422.16, subsections 1 and 11, Code 1985,  
16 are amended to read as follows:

17 1. Every withholding agent and every employer as defined  
18 in this chapter and further defined in the Internal Revenue  
19 Code of 1954, with respect to income tax collected at source,  
20 making payment of wages to ~~either-a-resident-employee-or~~  
21 ~~employees,~~ or a nonresident employee or-employees, working in  
22 Iowa, or to a resident employee, shall deduct and withhold  
23 from the wages an amount which will approximate the employee's  
24 annual tax liability on a calendar year basis, calculated on  
25 the basis of tables to be prepared by the department and  
26 schedules or percentage rates, based on the wages, to be  
27 prescribed by the department. Every employee or other person  
28 shall declare to the employer or withholding agent the number  
29 of the employee's or other person's personal exemptions and  
30 dependency exemptions or credits to be used in applying the  
31 tables and schedules or percentage rates, ~~provided-that.~~  
32 However, no more greater number of personal or dependency  
33 exemptions or credits may be declared by the employee or other  
34 person than the number to which the employee or other person  
35 is entitled except as allowed under section ~~3204(m)(1)~~

1 3402(m)(1) of the Internal Revenue Code of 1954. The claiming  
2 of exemptions or credits in excess of entitlement is a serious  
3 misdemeanor.

4 11. a. Every person or married couple filing a joint  
5 return shall make ~~a-declaration-of~~ estimated tax payments if  
6 the person's or their couple's Iowa income tax attributable to  
7 income other than wages subject to withholding can reasonably  
8 be expected to amount to fifty dollars or more for the taxable  
9 year, except that, in the cases of farmers and fishermen, the  
10 exceptions provided in the Internal Revenue Code of 1954 with  
11 respect to ~~such-declarations~~ making estimated payments shall  
12 apply. ~~The-declaration-provided-for-herein-shall-be-filed-on~~  
13 ~~or-before-the-last-day-of-the-fourth-month-of-the-taxpayer's~~  
14 ~~tax-year-for-which-such-declaration-is-filed,-in-such-form-as~~  
15 ~~the-director-may-require-by-regulations.~~ The estimated tax  
16 shall be paid in quarterly installments. The first  
17 installment shall be paid ~~at-the-time-of-filing-the~~  
18 declaration on or before the last day of the fourth month of  
19 the taxpayer's tax year for which the estimated payments  
20 apply. The other installments shall be paid on or before June  
21 30, September 30, and January 31. However, at the election of  
22 the person or married couple ~~filing-jointly~~, any installment  
23 of the estimated tax may be paid prior to the date prescribed  
24 for its payment. Whenever If a person or married couple  
25 filing a joint return have reason to believe that the person's  
26 or their couple's Iowa income tax may increase or decrease,  
27 either for purposes of meeting the requirement to ~~file-a~~  
28 ~~declaration-of~~ make estimated tax payments or for the purpose  
29 of increasing or decreasing ~~such-declaration,-an-amended~~  
30 estimate estimated tax payments, shall ~~be-filed-by-the-person~~  
31 ~~or-them-to-reflect-such~~ increase or decrease in any subsequent  
32 estimated Iowa-income tax payments accordingly.

33 b. In the case of persons or married couples filing  
34 jointly, the total balance of the tax payable after credits  
35 for taxes paid through withholding, as provided in subsection

1 1 of this section, or through ~~declaration-and~~ payment of  
2 estimated tax, or a combination of ~~such~~ withholding and  
3 ~~declaration-of~~ estimated tax payments, ~~as-provided-herein,~~  
4 ~~shall-be~~ is due and payable on or before April 30, ~~next~~  
5 following the close of the calendar year, or if the return  
6 ~~should~~ is to be made on the basis of a fiscal year, then on or  
7 before the last day of the fourth month next following the  
8 close of ~~such~~ the fiscal year.

9 ~~c--The-declaration-provided-for-in-this-section-may-be~~  
10 ~~filed-or-amended-during-the-taxable-year-under-regulations~~  
11 ~~prescribed-by-the-director.~~

12 d c. If a taxpayer is unable to make the taxpayer's own  
13 declaration estimated tax payments, the declaration payments  
14 may be made by a duly authorized agent, or by the guardian or  
15 other person charged with the care of the person or property  
16 of ~~such~~ the taxpayer.

17 e d. Any amount of ~~tax-paid-on-a-declaration-of-shall-be~~  
18 estimated tax paid is a credit against the amount of tax found  
19 payable on a final, completed return, as provided in  
20 subsection 9, relating to the credit for the tax withheld  
21 against the tax found payable on a return properly and  
22 correctly prepared under ~~the-provisions-of-section~~ sections  
23 ~~422.5,-to-and-including-section~~ through 422.25, and any  
24 overpayment of one dollar or more shall be refunded to the  
25 taxpayer and the return ~~shall-constitute~~ constitutes a claim  
26 for refund for this purpose. Amounts less than one dollar  
27 shall not be refunded ~~to-the-taxpayer-only-upon-written~~  
28 ~~application-in-accordance-with-section-422.74,-but-only-if-the~~  
29 ~~application-is-filed-within-twelve-months-after-the-due-date~~  
30 ~~for-the-return.~~ The method provided by the Internal Revenue  
31 Code of 1954 for determining what is applicable to the  
32 addition to tax for underpayment of the tax payable applies to  
33 persons required to ~~file-declarations-and~~ make payments of  
34 estimated tax under this section except the amount to be added  
35 to the tax for underpayment of estimated tax ~~shall-be~~ is an

1 amount determined at the rate in effect under section 421.7.  
2 This addition to tax specified for underpayment of the tax  
3 payable is not subject to waiver provisions relating to  
4 reasonable cause, except as provided in the Internal Revenue  
5 Code of 1954. Underpayment of estimated tax shall be  
6 determined in the same manner as provided under the Internal  
7 Revenue Code of 1954 and the exceptions therein in the  
8 Internal Revenue Code of 1954 also apply.

9 f e. In lieu of claiming a refund, the taxpayer may elect  
10 to have the overpayment shown on the taxpayer's final,  
11 completed return for the taxable year credited to the  
12 taxpayer's tax liability for the following taxable year.

13 Sec. 17. Section 422.17, Code 1985, is amended to read as  
14 follows:

15 422.17 CERTIFICATE ISSUED BY DEPARTMENT TO MAKE PAYMENTS  
16 WITHOUT WITHHOLDING.

17 Any nonresident whose Iowa income is not subject to section  
18 422.16, subsection 1, in whole or in part, and who elects to  
19 be governed by subsection 12 of said that section to the  
20 extent that the nonresident ~~makes-such-declaration-and~~ pays  
21 the entire amount of tax properly estimated thereunder on or  
22 before the last day of the fourth month of the nonresident's  
23 tax year, for such the year, may for ~~each-such the~~ year of  
24 ~~each-such the~~ election and such payment, be granted a  
25 certificate from the department authorizing each withholding  
26 agent, the income from whom the nonresident has included  
27 considered in the ~~nonresident's-declaration-of-estimate~~  
28 payment of estimated tax and to the extent such the income is  
29 included in ~~such-declaration-of the~~ estimate, to make payments  
30 of income to such the nonresident without withholding such tax  
31 from such those payments. Withholding agents, ~~whenever-such~~  
32 if payments exceed the amount tax liability estimated by such  
33 the nonresident ~~upon-the-nonresident's-declaration-of~~  
34 estimate, as indicated upon such the certificate, shall  
35 ~~proceed-to~~ withhold tax in accordance with subsection 12 of

1 section 422.16.

2 Sec. 18. Section 422.23, unnumbered paragraph 2, Code  
3 1985, is amended to read as follows:

4 The judge of the district court in which the estate of the  
5 decedent is probated may, upon application being filed by the  
6 executor or administrator setting forth the income received by  
7 said the estate, fix a time and place for hearing upon said  
8 the application and prescribe the notice to be given to the  
9 director and may upon hearing determine whether or not the  
10 said estate is subject to income tax and, if the facts warrant  
11 such-a that finding, enter an order relieving said the  
12 executor or administrator from making an income tax report and  
13 order that the said estate is not subject to the payment of  
14 income tax. Such The order shalt is not become final until  
15 thirty days after the-same it has been filed with the clerk of  
16 the district court and a copy of the order entered by the  
17 judge shall be immediately mailed to the director by said the  
18 executor or administrator by-registered-mail and a return  
19 filed showing the mailing of the same order.

20 Sec. 19. Section 422.25, subsection 1, Code 1985, is  
21 amended to read as follows:

22 1. Within three years after the return is filed or within  
23 three years after the return became due, including any  
24 extensions of time for filing, whichever time is the later,  
25 the department shall examine it and determine the correct  
26 amount of tax, and the amount determined by the department  
27 shalt-be is the tax. However, if the taxpayer omits from  
28 income an amount as which will, under the Internal Revenue  
29 Code of 1954, extend the statute of limitations for assessment  
30 of federal tax to six years under the federal law, the period  
31 for examination and determination is six years. In addition  
32 to the applicable period of limitation for examination and  
33 determination, the department may make an examination and  
34 determination at any time within six months from the date of  
35 receipt by the department of written notice from the taxpayer

1 of the final disposition of any matter between the taxpayer  
2 and the internal revenue service with respect to the  
3 particular tax year. In order to begin the running of the  
4 six-months' period, the notice shall be in writing in any form  
5 sufficient to inform the department of the final disposition  
6 with respect to that year, and a copy of the federal document  
7 showing the final disposition or final federal adjustments  
8 shall be attached to the notice.

9 PARAGRAPH DIVIDED. The period for examination and  
10 determination of the correct amount of tax is unlimited in the  
11 case of a false or fraudulent return made with the intent to  
12 evade tax or in the case of a failure to file a return. In  
13 lieu of the period of limitation for any prior year for which  
14 an overpayment of tax or an elimination or reduction of an  
15 underpayment of tax due for that prior year results from the  
16 carryback to that prior year of a net operating loss or net  
17 capital loss, the period is the period of limitation for the  
18 taxable year of the net operating loss or net capital loss  
19 which results in the carryback. The burden of proof of  
20 additional tax owing under the six-year period, or unlimited  
21 period, is on the department. If the tax found due is greater  
22 than the amount paid, the department shall compute the amount  
23 due, together with interest and penalties as provided in  
24 subsection 2, and shall notify the taxpayer by certified mail  
25 of the total, which shall be computed as a sum certain if paid  
26 on or before the last day of the month in which the notice is  
27 postmarked, or on or before the last day of the following  
28 month if the notice is postmarked after the twentieth day of  
29 any month. The notice shall also inform the taxpayer of the  
30 additional interest and penalty which will be added to the  
31 total due if not paid on or before the last day of the  
32 applicable month.

33 Sec. 20. Section 422.27, subsection 1, Code Supplement  
34 1985, is amended to read as follows:

35 1. A final account of a personal representative shall not

1 be allowed by any court ~~until thirty days after written notice~~  
2 ~~is given to the department of the proposed discharge of the~~  
3 ~~personal representative and~~ unless the account shows, and the  
4 judge of the court finds, that all taxes imposed by this  
5 division upon the personal representative, which have become  
6 payable, have been paid, and that all taxes which may become  
7 due are secured by bond, deposit, or otherwise. The  
8 certificate of the director and the receipt for the amount of  
9 the tax certified ~~shall be~~ are conclusive as to the payment of  
10 the tax to the extent of the certificate.

11 Sec. 21. Section 422.28, Code 1985, is amended to read as  
12 follows:

13 422.28 REVISION OF TAX.

14 A taxpayer may appeal to the director for revision of the  
15 tax, interest, or penalties assessed at any time within ninety  
16 days from the date of the notice of the assessment of tax,  
17 additional tax, interest, or penalties. The director shall  
18 grant a hearing and if, upon the hearing, the director  
19 determines that the tax, interest, or penalties are excessive  
20 or incorrect, the director shall revise them according to the  
21 law and the facts and adjust the computation of the tax,  
22 interest, or penalties accordingly. The director shall notify  
23 the taxpayer by registered mail of the result of the hearing  
24 and shall refund to the taxpayer the amount, if any, paid in  
25 excess of the tax, interest, or penalties found by the  
26 director to be due, with interest after sixty days from the  
27 date of payment by the taxpayer at the rate in effect under  
28 section 421.7 for each month or a fraction of a month. The  
29 director may, on the director's own motion at any time, abate  
30 any portion of tax, interest, or penalties which the director  
31 determines is excessive in amount, or erroneously or illegally  
32 assessed. The director shall prepare quarterly reports, which  
33 shall be included in the annual statistical reports required  
34 under section 422.75, summarizing each case in which an  
35 abatement of tax, interest, or penalties was made under this

1 section, but a report shall not disclose the identity of the  
2 taxpayer.

3 Sec. 22. Section 422.33, subsections 4 and 5, Code  
4 Supplement 1985, are amended to read as follows:

5 4. In addition to all taxes imposed under this division,  
6 there is imposed upon each corporation doing business within  
7 the state a state minimum tax for tax preference equal to  
8 seventy percent of the state's apportioned share of the  
9 federal minimum tax. The state's apportioned share of the  
10 federal minimum tax is a percent equal to the ratio of the  
11 federal minimum tax on preferences attributable to Iowa to the  
12 federal minimum tax on all preferences. The director shall  
13 prescribe rules for the determination of the amount of the  
14 federal minimum tax on preferences attributable to Iowa which  
15 shall be based as much as equitably possible on the allocation  
16 and apportionment provisions of subsections 2 and 3. For  
17 purposes of this subsection, "federal minimum tax" means the  
18 federal minimum tax for tax preferences computed under  
19 ~~sections-55-to-58~~ section 56 of the Internal Revenue Code of  
20 1954 for the tax year.

21 5. The taxes imposed under this division shall be reduced  
22 by a state tax credit for increasing research activities in  
23 this state equal to six and one-half percent of the state's  
24 apportioned share of the qualifying expenditures for  
25 increasing research activities. The state's apportioned share  
26 of the qualifying expenditures for increasing research  
27 activities is a percent equal to the ratio of qualified  
28 research expenditures in this state to the total qualified  
29 research expenditures. For purposes of this subsection,  
30 "qualifying expenditures for increasing research activities"  
31 means the qualifying expenditures as defined for the federal  
32 credit for increasing research activities computed under  
33 section 30 of the Internal Revenue Code of 1954, as amended to  
34 and including January 1, ~~1983~~ 1985. The research activities  
35 credit is applicable for taxable years beginning after

1 December 31, 1985 to the same extent that the credit is  
2 applicable for federal income tax purposes for taxable years  
3 beginning after December 31, 1985.

4 Any credit in excess of the tax liability for the taxable  
5 year shall be refunded with interest computed under section  
6 422.25. In lieu of claiming a refund, a taxpayer may elect to  
7 have the overpayment shown on its final, completed return  
8 credited to the tax liability for the following taxable year.

9 Sec. 23. Section 422.35, subsections 6 and 8, Code 1985,  
10 are amended to read as follows:

11 6. Subtract the amount of the work-incentive-programs  
12 ~~credit-allowable-for-the-tax-year-under-section-40-or-the~~ jobs  
13 tax credit allowable for the tax year under section 44B 51 of  
14 the Internal Revenue Code of 1954 to the extent that the  
15 credit increased federal taxable income.

16 8. Subtract the amount of the alcohol fuel credit  
17 allowable for the tax year under section 44E 40 of the  
18 Internal Revenue Code of 1954 to the extent that the credit  
19 increased federal taxable income.

20 Sec. 24. Section 422.42, unnumbered paragraph 3, Code  
21 Supplement 1985, is amended by striking the unnumbered  
22 paragraph:

23 Sec. 25. Section 422.53, subsection 5, Code 1985, is  
24 amended to read as follows:

25 5. If the holder of a permit fails to comply with any of  
26 the provisions of this division or any orders order or rules  
27 rule of the department adopted under this division, the  
28 director ~~upon-hearing-after-giving-ten-days-~~notice-of-the  
29 ~~time-and-place-of-the-hearing-to-show-cause-why-the-permit~~  
30 ~~should-not-be-revoked,~~ may revoke the permit. The director  
31 shall send notice by mail to a permit holder informing that  
32 person of the director's intent to revoke the permit and of  
33 the permit holder's right to a hearing on the matter. If the  
34 permit holder petitions the director for a hearing on the  
35 proposed revocation, after giving ten days notice of the time

1 and place of the hearing in accordance with section 17A.18,  
2 subsection 3, the matter may be heard and a decision rendered.

3 The director may restore permits after revocation. The  
4 director shall adopt rules setting forth the period of time a  
5 retailer must wait before a permit may be restored or a new  
6 permit may be issued. The waiting period shall not exceed  
7 ninety days from the date of the revocation of the permit.

8 Sec. 26. Section 422.57, subsection 1, Code 1985, is  
9 amended to read as follows:

10 1. Any A notice authorized or required under the  
11 ~~provisions-of~~ this division may be given by mailing the same  
12 notice to the person for whom it is intended ~~by-certified~~  
13 ~~mail~~, addressed to such that person at the address given in  
14 the last return filed by the person pursuant to ~~the-provisions~~  
15 ~~of~~ this division, or if no return has been filed, then to ~~such~~  
16 any address ~~as-may-be~~ obtainable. The mailing of ~~such~~ the  
17 notice ~~shall-be~~ is presumptive evidence of the receipt of the  
18 same notice by the person to whom addressed. Any period of  
19 time which is determined according to ~~the-provisions-of~~ this  
20 division by the giving of notice ~~shall-commence~~ commences to  
21 run from the date of registration and posting of ~~such~~ the  
22 notice.

23 Sec. 27. Section 422.60, unnumbered paragraph 2, Code  
24 1985, is amended to read as follows:

25 In addition to all taxes imposed under this division, there  
26 is imposed upon each financial institution doing business  
27 within the state a state minimum tax for tax preference items  
28 equal to seventy percent of the state's apportioned share of  
29 the federal minimum tax. The state's apportioned share of the  
30 federal minimum tax is a percent equal to the ratio of the  
31 federal minimum tax on preferences attributable to Iowa to the  
32 federal minimum tax on all preferences. The director shall  
33 prescribe rules for the determination of the amount of the  
34 federal minimum tax on preferences attributable to Iowa which  
35 shall be based as much as equitably possible on the allocation

1 and apportionment provisions of section 422.63. For purposes  
2 of this subsection, "federal minimum tax" means the federal  
3 minimum tax for tax preferences computed and paid or payable  
4 under ~~sections-55-to-58~~ section 56 of the Internal Revenue  
5 Code of 1954.

6 Sec. 28. Section 422.110, unnumbered paragraph 1, Code  
7 1985, is amended to read as follows:

8 In lieu of the fuel tax refund provided in sections 324.17  
9 to 324.19, each a person or corporation subject to taxation  
10 under divisions II or III of this chapter, except those  
11 persons or corporations licensed under section 324.4 or  
12 324.36, may elect to receive an income tax credit for tax  
13 years beginning on or after January 1, 1975. The person or  
14 corporation which elects to receive an income tax credit shall  
15 cancel its refund permit obtained under section 324.18 within  
16 thirty days after the first day of its tax year or the permit  
17 becomes invalid at that time. For the purposes of this  
18 ~~section the-term,~~ "person" includes a person claiming a tax  
19 credit based upon the person's pro rata share of the earnings  
20 from a partnership or corporation which ~~corporation-or~~  
21 ~~partnership-as-a-business-entity~~ is not subject to a tax under  
22 division II or III of this chapter as a partnership or  
23 corporation. When If the election to receive an income tax  
24 credit has been made, it remains effective for at least one  
25 tax year, and for subsequent tax years unless a change is  
26 requested and a new refund permit applied for within thirty  
27 days after the first day of the person's or corporation's tax  
28 year. The income tax credit shall be the amount of the Iowa  
29 fuel tax paid on fuel purchased by the person or corporation  
30 and used as follows:

31 Sec. 29. Section 422A.1, unnumbered paragraph 2, Code  
32 1985, is amended to read as follows:

33 A local hotel and motel tax shall be imposed on January 1,  
34 April 1, July 1, or October 1, following the notification of  
35 the director of revenue. Once imposed, the tax shall remain

1 in effect at the rate imposed for a minimum of one year. A  
2 local hotel and motel tax shall terminate only on March 31,  
3 June 30, September 30, or December 31. At least sixty days  
4 prior to the tax being effective or prior to a revision in the  
5 tax rate, or prior to the repeal of the tax, a city or county  
6 shall provide notice by certified mail of such action to the  
7 director of revenue.

8 Sec. 30. Section 423.7, Code 1985, is amended to read as  
9 follows:

10 423.7 VEHICLES SUBJECT TO REGISTRATION OR ONLY TO THE  
11 ISSUANCE OF TITLE.

12 The tax imposed upon the use of vehicles subject to  
13 registration or subject only to the issuance of a certificate  
14 of title shall be paid by the owner of the vehicle to the  
15 county treasurer or the state department of transportation  
16 from whom the registration receipt or certificate of title is  
17 obtained. A registration receipt for a vehicle subject to  
18 registration or certificate of title shall not be issued until  
19 the tax has been paid. The county treasurer or the state  
20 department of transportation shall require every applicant for  
21 a registration receipt for a vehicle subject to registration  
22 or certificate of title to supply information as the county  
23 treasurer or the director deems necessary as to the time of  
24 purchase, the purchase price, and other information relative  
25 to the purchase of the vehicle. On or before the tenth day of  
26 each month the county treasurer or the state department of  
27 transportation shall remit to the department the amount of the  
28 taxes collected during the preceding month ~~7-accompanied-by-a~~  
29 ~~copy-of-each-registration-receipt-issued-in-conjunction-with~~  
30 ~~the-certificate-of-title-issued-for-each-vehicle.~~

31 Sec. 31. Section 425.3, unnumbered paragraph 4, Code 1985,  
32 is amended to read as follows:

33 The county auditor shall forward the claims to the board of  
34 supervisors. The board shall allow or disallow the claims.  
35 If the board disallows a claim, it shall send written notice,

1 by certified mail, to the claimant at the claimant's last  
2 known address. The notice shall state the reasons for  
3 disallowing the claim for the credit.

4 Sec. 32. Section 425.33, unnumbered paragraph 1, Code  
5 1985, is amended to read as follows:

6 If upon petition by a claimant the department of revenue  
7 determines that a landlord has increased the claimant's rent  
8 primarily because the claimant is eligible for reimbursement  
9 under this division, the department of revenue shall request  
10 the landlord by certified mail to reduce the rent  
11 appropriately.

12 Sec. 33. Section 425.34, Code 1985, is amended to read as  
13 follows:

14 425.34 HEARINGS AND APPEALS.

15 If the department of revenue orders a landlord to reduce  
16 rent to a claimant, then upon the request of the landlord the  
17 department of revenue shall hold a prompt hearing of the  
18 matter, to be conducted in accordance with the rules of the  
19 department. The department of revenue shall give notice of  
20 the decision by certified mail to the claimant and to the  
21 landlord.

22 The claimant and the landlord shall have the rights of  
23 appeal and review as provided in section 425.31.

24 Sec. 34. Section 427.1, subsection 26, Code Supplement  
25 1985, is amended to read as follows:

26 26. REVOKING EXEMPTION. Any taxpayer or any taxing  
27 district may make application to the director of revenue for  
28 revocation for any exemption, based upon alleged violations of  
29 ~~the provisions of~~ this chapter. The director of revenue may  
30 also on the director's own motion set aside any exemption  
31 which has been granted upon property for which exemption is  
32 claimed under this chapter. The director of revenue shall  
33 give notice by certified mail to the societies or  
34 organizations claiming an exemption upon property, exemption  
35 of which is questioned before or by the director of revenue,

1 and any order made by the director of revenue revoking or  
2 modifying ~~such an exemption shall be~~ is subject to judicial  
3 review in accordance with ~~the terms of~~ the Iowa administrative  
4 procedure Act. Notwithstanding the terms of ~~said that~~ Act,  
5 petitions for judicial review may be filed in the district  
6 court having jurisdiction in the county in which ~~such the~~  
7 property is located, and must be filed within thirty days  
8 after any order revoking ~~such an~~ exemption is made by the  
9 director of revenue.

10 Sec. 35. Section 427.6, unnumbered paragraph 4, Code 1985,  
11 is amended to read as follows:

12 The county auditor shall forward the claims to the board of  
13 supervisors. The board shall allow or disallow the claims.  
14 If the board disallows a claim, it shall send written notice,  
15 by certified mail, to the claimant at the claimant's last  
16 known address. The notice shall state the reasons for  
17 disallowing the claim for the exemption.

18 Sec. 36. Section 429.1, Code 1985, is amended to read as  
19 follows:

20 429.1 NOTICE OF ASSESSMENT.

21 The director of revenue shall, at the time of making the  
22 assessment of property as provided in chapters 428, 433, 434,  
23 436, 437, and 438, inform the person assessed, by certified  
24 mail, of the valuation put upon the taxpayer's property. The  
25 notice shall contain a notice of the taxpayer's right of  
26 appeal to the state board of tax review as provided in section  
27 ~~429.3~~ 429.2.

28 Sec. 37. Section 435.6, unnumbered paragraph 3, Code 1985,  
29 is amended to read as follows:

30 If the tax due is greater than the amount paid, the  
31 department shall compute the amount due, together with  
32 interest and penalties as provided in section 435.5, and shall  
33 notify the taxpayer by certified mail of the total if paid on  
34 or before the last day of the month in which the notice is  
35 postmarked.

1 Sec. 38. Section 437.4, Code 1985, is amended to read as  
2 follows:

3 437.4 ADDITIONAL STATEMENT.

4 Upon receipt of ~~said~~ the statements from the ~~several~~  
5 companies, the director of revenue shall examine ~~such~~ the  
6 statements, and if the director ~~shall-deem-same~~ deems them  
7 insufficient, and that further information is requisite  
8 required, the director shall require the company making ~~same~~  
9 the statements to make ~~such~~ other or further statement as the  
10 director ~~may-desire~~ deems necessary, notifying ~~such~~ the  
11 company ~~thereof~~ by certified mail.

12 Sec. 39. Section 437.5, Code 1985, is amended to read as  
13 follows:

14 437.5 FAILURE TO FURNISH.

15 In case of the total failure or refusal to make any  
16 statement required by sections 437.2 and 437.4 to be made by  
17 May 1 in any year, or of failure or refusal to make ~~such~~ other  
18 or further statement within thirty days from the time the  
19 ~~certified-mail~~ notice thereof is received by ~~said~~ the company  
20 that the ~~same~~ additional statement is required by the director  
21 of revenue, ~~such~~ the company shall forfeit and pay to the  
22 state, one hundred dollars for each day the total failure or  
23 refusal to make any report is continued beyond the ~~said~~ first  
24 day of May of the year in which it is required, or in case of  
25 any ~~such~~ other or further report required by the director for  
26 each day ~~the-same~~ it is delayed beyond thirty days from the  
27 receipt of the notice by ~~said~~ the company that ~~same~~ the  
28 additional report is required, ~~such~~. The forfeiture to shall  
29 be sued for and recovered in any proper form of action in the  
30 name of the state and on relation of the director of revenue  
31 of the state, and ~~such~~ the penalty, when collected, shall be  
32 paid into the general fund of the state.

33 Sec. 40. Section 441.65, Code 1985, is amended to read as  
34 follows:

35 441.65 PLATTING FOR ASSESSMENT AND TAXATION BY AUDITOR.

1 Whenever if a lot or subdivision of land is owned by two or  
2 more persons in severalty, and the description of one or more  
3 of the different parts or parcels thereof cannot, in the  
4 judgment of the county auditor or the assessor, be made  
5 sufficiently certain and accurate for the purposes of  
6 assessment and taxation without noting the metes and bounds of  
7 the same property, or whenever if the proprietor of any a  
8 subdivision of land has sold or conveyed any part thereof of  
9 it, or invested the public with any rights therein in it, and  
10 has failed to file for record a plat as provided in chapter  
11 409, the county auditor ~~by-certified-mail~~ shall notify all of  
12 the owners by mail, and demand compliance. If the owners fail  
13 to execute and file the plat within sixty days after the  
14 issuance of such the notice to execute and file ~~said the~~ the plat  
15 for record, the auditor shall cause make a plat to-be-made-as  
16 ~~the-auditor-deems-appropriate~~ in accordance with the  
17 ~~provisions-of~~ chapter 409. The auditor may contract for the  
18 services of a registered land surveyor as necessary to comply  
19 with this section.

20 PARAGRAPH DIVIDED. Every conveyance of land in this state  
21 ~~shall-be~~ is deemed to be a warranty that the description  
22 therein contained in the conveyance is sufficiently definite  
23 and accurate to enable the auditor to enter ~~the-same~~ it on the  
24 plat book required to be kept, ~~and-when.~~ When there is  
25 presented for entry on the transfer book any a conveyance in  
26 which the description is not sufficiently definite and  
27 accurate, the auditor shall note such fact on the deed, with  
28 that of the entry for transfer, and shall notify the person  
29 presenting it that the land therein is not sufficiently  
30 described, and that it must be platted within sixty days  
31 thereafter. If the grantor in the conveyance ~~shall-neglect~~  
32 neglects for sixty days thereafter to file for record a plat  
33 thereof of the property, then the auditor shall proceed as is  
34 provided in this section, and cause make the plat to-be-made  
35 in accordance with ~~the-provisions-of~~ chapter 409 and recorded

1 record the plat in the office offices of the auditor, and-the  
2 office-of the county recorder, and in-the-office-of the  
3 assessor.

4 Sec. 41. Section 443.7, Code 1985, is amended to read as  
5 follows:

6 443.7 NOTICE.

7 Before assessing and listing for taxation any omitted  
8 property, the assessor or auditor shall notify by certified  
9 mail the person, firm, corporation, or administrator or other  
10 person in whose name the property is taxed, to appear before  
11 the assessor or auditor at the assessor's or auditor's office  
12 within ten days from the time date of said the notice and show  
13 cause, if any there-be, why such the correction or assessment  
14 should not be made.

15 Sec. 42. Section 447.9, Code 1985, is amended to read as  
16 follows:

17 447.9 NOTICE OF EXPIRATION OF RIGHT OF REDEMPTION.

18 After two years and nine months from the date of sale, or  
19 after nine months from the date of a sale made under the  
20 provisions-of section 446.18, 446.38 or 446.39, the holder of  
21 the certificate of purchase may cause to be served upon the  
22 person in possession of the real estate, and also upon the  
23 person in whose name the real estate is taxed, if the person  
24 resides in the county where the land is situated, in the  
25 manner provided for the service of original notices, a notice  
26 signed by the certificate holder or the certificate holder's  
27 agent or attorney, stating the date of sale, the description  
28 of the property sold, the name of the purchaser, and that the  
29 right of redemption will expire and a deed for the land be  
30 made unless redemption is made within ninety days from the  
31 completed service of the notice. When the notice is given by  
32 a county as a holder of a certificate of purchase the notice  
33 shall be signed by the county treasurer, and when given by a  
34 city, it shall be signed by the city officer designated by  
35 resolution of the council. When the notice is given by the

1 Iowa housing finance authority or a city or county agency  
2 holding the property as part of an Iowa homesteading project,  
3 it shall be signed on behalf of the agency or authority by one  
4 of its officers, as authorized in rules of the agency or  
5 authority.

6 PARAGRAPH DIVIDED. Service of the notice shall also be  
7 made by certified mail on any mortgagee or assignee of record,  
8 whether resident or nonresident of the county, if the  
9 mortgagee's or assignee's address is disclosed by the recorded  
10 instrument or by a certificate showing the address of the  
11 mortgagee or assignee duly filed with the recorder, or the  
12 state of Iowa in case of an old-age assistance lien by service  
13 upon the state department of human services. The notice shall  
14 also be served on any city where the real estate is situated.

15 Sec. 43. Section 450.58, Code Supplement 1985, is amended  
16 to read as follows:

17 450.58 FINAL SETTLEMENT TO SHOW PAYMENT.

18 The final settlement of the account of a personal  
19 representative shall not be accepted or allowed ~~until~~-thirty  
20 ~~days-after-written-notice-is-given-to-the-department-of-the~~  
21 ~~proposed-discharge-of-the-personal-representative-and~~ unless  
22 it shows, and the court finds, that all taxes imposed by this  
23 chapter upon any property or interest in property that is made  
24 payable by the personal representative and to be settled by  
25 the account, has been paid, and that the receipt of the  
26 department of revenue for the tax has been obtained as  
27 provided in section 450.64. Any order contravening this  
28 section is void.

29 Sec. 44. Section 450.94, subsection 3, Code Supplement  
30 1985, is amended to read as follows:

31 3. If the amount paid is greater than the correct tax,  
32 penalty, and interest due, the department shall refund the  
33 excess, with interest after sixty days from the date of  
34 payment at the rate in effect under section 421.7, under the  
35 rules prescribed by the director. However, the director shall

1 not allow a claim for refund or credit that has not been filed  
2 with the department within three years after the tax payment  
3 upon which a refund or credit is claimed became due, or one  
4 year after the tax payment was made, whichever time is the  
5 later. A determination by the department of the amount of  
6 tax, penalty, and interest due, or the amount of refund for  
7 excess tax paid, is final unless the person aggrieved by the  
8 determination appeals to the director for a revision of the  
9 determination within ninety days from the postmark date of the  
10 notice of determination of tax, penalty, and interest due or  
11 refund owing. The director shall grant a hearing, and upon  
12 the hearing the director shall determine the correct tax,  
13 penalty, and interest or refund due, and notify the appellant  
14 of the decision by certified mail. The decision of the  
15 director is final unless the appellant seeks judicial review  
16 of the director's decision under section 450.59 within sixty  
17 days after the postmark date of the notice of the director's  
18 decision.

19 Sec. 45. Section 450A.2, unnumbered paragraph 1, Code  
20 1985, is amended to read as follows:

21 A tax is hereby imposed on the transfer of any property,  
22 included in a generation skipping transfer occurring at the  
23 same time as, or after, the death of the deemed transferor,  
24 equal to the amount of the maximum federal credit allowable  
25 under section ~~2602(e)~~ 2602(c)(5)(B) of the Internal Revenue  
26 Code of 1954, for that portion of state estate, inheritance,  
27 legacy, or succession tax paid in respect of any property  
28 included in the generation skipping transfer.

29 Sec. 46. Section 451.6, Code 1985, is amended to read as  
30 follows:

31 451.6 PAYMENT OF TAX.

32 The tax<sup>3</sup> imposed by this chapter shall be paid by the  
33 personal representative to the department of revenue within  
34 ~~twelve-months-from-the-date-of~~ on or before the last day of  
35 the ninth month after the death of such the decedent, or in

1 case-such-decedent-died-more-than-twelve-months-prior-to-April  
2 12,-1929,-then-within-six-months-after-the-effective-date  
3 hereof.

4 Sec. 47. Section 428A.14, Code 1985, is repealed.

5 Sec. 48. Sections 434.2, 434.3, 434.4, and 434.5, Code  
6 1985, are repealed.

7 Sec. 49. Sections 20 and 43 are effective for final  
8 reports of personal representatives filed on or after July 1,  
9 1985 and to this extent these sections are retroactive.

10 Sec. 50. Section 13, ~~14~~, 15, 16, 17, 22, 23, 27, 45, and  
11 47 are retroactive to January 1, 1986 for tax years beginning  
12 on or deemed transferors dying on or after January 1, 1986.

13 Sec. 51. Section 46 is effective for estates of decedents  
14 dying on or after July 1, 1986.

15

#### EXPLANATION

16 The bill deletes the requirement that city councils and  
17 county boards of supervisors certify the issuance of retail  
18 cigarette permits to the department of revenue.

19 The bill eliminates the one dollar fee for a motor fuel tax  
20 refund permit, provides for the invalidation rather than  
21 revocation of a permit if the holder does not use it to claim  
22 a refund for one year or moves from one county to another and  
23 provides that a permit becomes invalid if the holder claims an  
24 income tax credit in lieu of a refund but does not voluntarily  
25 cancel the permit.

26 The bill changes references in the Iowa Code to sections in  
27 the Internal Revenue Code which have been revised in the last  
28 several years. In addition, the Act also deletes references  
29 to the work incentive credit, since this credit was repealed  
30 for tax years beginning after 1981. Finally, the Act deletes  
31 section 428A.14 since the federal tax resulting in the credit  
32 was not applicable after 1967.

33 The bill eliminates the requirement for taxpayers to make  
34 declarations for estimated tax purposes, although it does not  
35 eliminate the requirement for taxpayers whose incomes are not

1 subject to withholding tax to make estimated tax payments.  
2 This change conforms to federal income tax law which  
3 eliminated the requirement for estimate declarations for tax  
4 years beginning after 1982. The bill also removes the  
5 requirement for the department of revenue to issue income tax  
6 refunds for amounts less than one dollar.

7 Sections 20 and 43 repeal the requirement that the personal  
8 representative of an estate or trust give the department of  
9 revenue notice of discharge thirty days prior to being  
10 discharged by the court. Section 49 makes repeal of the  
11 notice retroactive to reports of personal representatives  
12 filed on or after July 1, 1985, which was the effective date  
13 of the notice requirement.

14 The bill eliminates the requirement that a vending machine  
15 or amusement device operator place a sticker on each machine  
16 or device identifying the sales tax permit number of the  
17 operator and the penalty for failure to do so.

18 The bill amends the law to allow the department of revenue  
19 to notify a permit holder by mail that the permit will be  
20 revoked unless the permit holder requests a hearing. A  
21 hearing to determine if the permit should be revoked will be  
22 held only if the permit holder requests a hearing.

23 Sections 2, 3, 4, 19, 21, 26, 32, 33, 34, 36, 37, 38, 39,  
24 and 45 eliminate the requirement that the department of  
25 revenue send certain taxpayer notices by certified or  
26 registered mail. Sections 18 and 20 provide that certain  
27 notices to the department no longer must be sent by certified  
28 mail. Sections 7, 8, 9, 10, 11, 12, 31, 35, 40, 41, and 42  
29 eliminate the requirement that local government notifications  
30 to taxpayers be sent by certified mail. All of these notices  
31 may now just be mailed.

32 The bill deletes the requirement that county treasurers and  
33 the department of transportation send a copy of each vehicle  
34 registration receipt issued to the department of revenue.

35 This bill, in section 48, repeals the requirement that

1 railroad companies submit to the department of revenue annual  
2 updates of a 1904 land ownership record and the requirement  
3 that the department annually update and maintain the records.

4 The inheritance tax is due on or before the last day of the  
5 ninth month following the decedent's death. The Iowa estate  
6 tax should be paid at the same time the inheritance tax is  
7 paid, because both of the Iowa death taxes must be paid before  
8 they are allowable as a credit against the federal estate tax.  
9 When the due date for inheritance tax was changed in 1984, the  
10 due date of the Iowa estate tax was not changed due to an  
11 oversight. Section 46 of this legislation synchronizes the  
12 due date for the two death taxes.

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HOUSE FILE 2471

AN ACT

RELATING TO TAXATION, BY AMENDING ADMINISTRATIVE REQUIREMENTS OF TAXPAYERS, TAXPAYERS' REPRESENTATIVES, AND PUBLIC AND TAXING AUTHORITIES, INCLUDING NONSUBSTANTIVE AND TECHNICAL CORRECTIONS AND MAKING CERTAIN PROVISIONS OF THE ACT RETROACTIVE.

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

Section 1. Section 98.13, subsection 2, Code 1985, is amended to read as follows:

2. ISSUANCE. The department shall issue state permits to distributors, wholesalers, and cigarette vendors subject to the conditions provided in this division. Cities may issue retail permits to dealers within their respective limits. County boards of supervisors may issue retail permits to dealers in their respective counties, outside of the corporate limits of cities. ~~Upon issuance of a retail permit by a city council or board of supervisors, the council or board shall forthwith certify to the department the action taken.~~

Sec. 2. Section 98.22, subsection 1, Code 1985, is amended to read as follows:

1. If any a person holding a permit issued by the department under this division, including a retailer permit for railway car, has willfully violated the provisions of section 98.2, the department shall revoke the permit issued to the person upon notice and hearing. If the person violates

any other provision of this division, or any rule promulgated adopted under this division, the department may revoke the permit issued to the person, after giving the permit holder an opportunity to be heard upon ten days' written notice stating the reason for the contemplated revocation and the time and place at which the person may appear and be heard. The hearing shall be held in the county of the permit holder's place of business, or in a county in or through which it transacts business. The notice shall be given by mailing a copy ~~by certified mail~~ to the permit holder's place of business as ~~the same~~ it appears on the application for a permit. If, upon hearing, the department finds that the violation has occurred, the department may revoke the permit.

Sec. 3. Section 98.29, Code 1985, is amended to read as follows:

98.29 NOTICE AND APPEAL.

The department shall notify any person assessed pursuant to section 98.28 by sending a written notice of such the determination and assessment by certified mail to the principal place of business of such the person as shown on the person's application for permit, ~~if any~~, and in case if no such application was filed by such the person, to the person's last known address. Judicial review of action of the department may be sought in accordance with the terms of the Iowa administrative procedure Act and section 422.29.

Sec. 4. Section 98.29, Code 1985, as amended by House file 764, enacted by the Seventy-first General Assembly, 1986 Session, section 8, is amended to read as follows:

98.29 NOTICE AND APPEAL.

The department shall notify any person assessed pursuant to section 98.28 by sending a written notice of the determination and assessment by certified mail to the principal place of business of the person as shown on the person's application for permit, ~~if any~~, and in case if no application was filed by the person, to the person's last known address. A determination by the department of the amount of tax, penalty, and interest due, or the amount of refund for excess tax paid,

is final unless the person aggrieved by the determination appeals to the director for a revision of the determination within thirty days from the postmark date of the notice of determination of tax, penalty, and interest or refund owing. The director shall grant a hearing and upon the hearing, the director shall determine the correct tax, penalty, and interest or refund due and notify the appellant of the decision by certified mail. Judicial review of action of the director may be sought in accordance with the terms-of-the Iowa administrative procedure Act and section 422.29.

Sec. 5. Section 98.48, subsection 2, Code 1985, is amended to read as follows:

2. Every A hearing conducted under this division shall be preceded by ten days' notice in writing of the subject of the hearing, including, in the case of suspension or revocation of a license, a statement of the nature of the charges against the licensee. The notice shall be sent by registered mail to the last known address of the licensee or other person involved in the hearing, and the service shall be complete upon mailing. After every hearing the director shall make the director's findings and order in writing. The findings and order shall be filed in the office of the director, and a copy sent by mail or otherwise to the person to whom the notice was directed.

Sec. 6. Section 324.18, Code 1985, is amended to read as follows:

324.18 REFUND PERMIT.

No A person may shall not claim a refund under section 324.17 or section 324.21 until the person shall have has obtained a refund permit from the department of revenue and paid-the-fee-therefor. A special permit shall be obtained by applicants claiming a refund under the provisions-of this chapter on account of motor fuel used for the purpose of operating aircraft or used to blend gasoline. Application for a refund permit shall be made to the department of revenue on a form provided by the department of revenue, shall be certified by the applicant under penalty for false certificate

and shall contain among other things, the name, the address, and occupation of the applicant, the nature of the applicant's business, and a sufficient description for identification of the machines and equipment in which is to be used motor fuel for which refund may be claimed under the permit. Each permit shall bear a separate number and each claim for refund shall bear the number of the permit under which it is made. The department of revenue shall keep a permanent record of all permits issued and a cumulative record of the amount of refund claimed and paid under each. ~~A-fee-of-one-dollar-shall-be collected-by-the-department-of-revenue-from-each-person-to whom-a-refund-permit-is-issued:~~ A refund permit shall continue in effect until it is revoked or ~~until-the-claimant shall-have-moved-from-the-county-with-which-the-claimant's refund-permit-is-identified~~ becomes invalid.

Sec. 7. Section 324.19, unnumbered paragraph 2, Code 1985, is amended to read as follows:

A person whose refund permit is revoked for cause ~~except nonuse~~ may not obtain another refund permit for a period of one year after the revocation. A refund permit under which no refund is claimed for a period of one year ~~from-date-of issuance~~ or a refund permit whose holder has moved from the county wherein in which the holder resided at the time of application for ~~said the~~ permit shall-be-revoked-by-the department-of-revenue is invalid subject to reinstatement or issuance of a new permit upon application as provided in section 324.18.

Sec. 8. Section 324.68, unnumbered paragraph 1, Code 1985, is amended to read as follows:

If a licensee files a false report of the data or information required by this chapter, or fails, refuses, or neglects to file a report required by this chapter, or to pay the full amount of fuel tax as required by this chapter, then after ten days' written notice by registered mail directed to the last known address of the licensee setting a time and place at which the licensee may appear and show cause why the license should not be canceled, and if the licensee fails to

appear or if upon the hearing it is shown by a preponderance of the evidence that the failure to correctly report or pay was with intent to evade the tax, the appropriate state agency may cancel the license and shall notify the licensee of the cancellation by registered mail to the licensee's last known address.

Sec. 9. Section 384.50, unnumbered paragraph 3, Code 1985, is amended to read as follows:

Not less than fifteen days before the hearing, the clerk shall send a copy of the notice by certified mail to each property owner whose property is subject to assessment for the improvement at the address as shown by the records of the county auditor. If a property is shown to be in the name of more than one owner at the same mailing address, a single notice may be mailed addressed to all owners at that address. Failure to receive a mailed notice is not a defense to the special assessment.

Sec. 10. Section 384.51, unnumbered paragraph 1, Code 1985, is amended to read as follows:

The council shall meet as specified in the published notice, and after hearing all objections and endorsements from property owners and other persons having an interest in the matter, and after considering all filed, written objections, may adopt or amend and adopt the proposed resolution of necessity, or may defer action until a subsequent meeting. A resolution of necessity requires for passage the vote of three-fourths of all the members of the council, or, in cities having but three members of the council, the vote of two members, and where a remonstrance has been filed with the clerk, signed by the owners subject to seventy-five percent of the amount of the proposed assessments for the entire public improvement included in the resolution of necessity, a resolution of necessity requires a unanimous vote of the council.

PARAGRAPH DIVIDED. An amendment which extends the boundaries of a district, increases the amount to be assessed against a lot, or adds additional public improvements, is not

effective until an amended plat, schedule, and estimate have been prepared and adopted, a notice published and mailed by certified-mail to all affected property owners, and hearing held in the same manner as the original proceedings, or until all affected property owners agree in writing to the change. The adoption of a resolution of necessity is a legislative determination that the improvement is expedient and proper and that property assessed will be specially benefited thereby by the improvement and this determination of the council is conclusive. Ownership of property to be assessed by any an improvement shall does not, except for fraud or bad faith, disqualify a council member from voting on any measure.

Sec. 11. Section 384.56, subsection 3, Code 1985, is amended to read as follows:

3. When any portion of the cost of a public improvement is to be paid by the state under this section, the clerk shall send, at the time of publication of the notice required by section 384.50, mail a copy of the notice to the secretary of the executive council by ~~restricted-certified-mail~~.

Sec. 12. Section 384.60, unnumbered paragraph 2, Code 1985, is amended to read as follows:

On or before the second publication of the notice, the clerk shall send by certified mail to each property owner whose property is subject to assessment for the improvement, as shown by the records in the office of the county auditor, a copy of the notice. The notice shall also include a statement in substance that assessments may be paid in full or in part without interest within thirty days after the date of the first notice of the final assessment schedule, and thereafter all unpaid special assessments bear interest at the rate specified by the council, but not exceeding that permitted by chapter 74A, computed to the December 1 next following the due dates of the respective installments as provided in section 384.65, subsection 3, and each installment will be delinquent on September 30 following its due date, and will draw additionally the same delinquent interest and the same penalties as ordinary taxes. The notice shall also state

substantially that property owners may elect to pay any installment semiannually in advance. If a property is shown by the records to be in the name of more than one owner at the same mailing address, a single notice may be mailed to all owners at that address. Failure to receive a mailed notice is not a defense to the special assessment.

Sec. 13. Section 384.63, unnumbered paragraph 2, Code 1985, is amended to read as follows:

The council shall, by resolution, provide that the deficiencies for the lots specially benefited by a public improvement shall be certified to the county treasurer, who shall record them in a separate book entitled "Special Assessment Deficiencies", and to the appropriate city official charged with the responsibility of issuing building permits, who shall notify the council when a private improvement is subsequently constructed on any lot subject to a deficiency. Certification to the county treasurer shall include a legal description of each lot. The period of amortization for a public improvement for which there are deficiencies shall commence with the adoption of the resolution of necessity and extend for the same period for which installments of assessments for the project are made payable. Deficiencies may be assessed only during the period of amortization, which shall also be certified to the county treasurer and the city official charged with the responsibility of issuing building permits. Certification to the county treasurer shall include a legal description of each lot.

PARAGRAPH DIVIDED. When a private improvement is constructed on a lot subject to a deficiency, during the period of amortization, the council shall, by resolution, assess a pro rata portion of the deficiency on that lot, in the same proportion to the total deficiency on that lot as the number of future installments of special assessments remaining to be paid is to the total number of installments of assessments for the project, subject to the twenty-five percent limitation of section 384.62. A deficiency assessment becomes a lien on the property and is payable in the same

manner, and subject to the same interest and penalties as the other special assessments. The council shall direct the clerk to certify a deficiency assessment to the county treasurer, and to send a notice of the deficiency assessment by certified mail to each owner, as provided in section 384.60, subsection 5, but publication of the notice is not required.

PARAGRAPH DIVIDED. An owner may appeal from the amount of the assessment within thirty days of the date notice is mailed. County officials shall collect a deficiency assessment, commencing in the year following the assessment, in the manner provided for the collection of other special assessments. Upon collection, the county treasurer shall make the appropriate credit entries in the "Special Assessment Deficiencies" book, and shall credit the amounts collected as provided for other special assessments on the same public improvement, or to the city, to the extent that the deficiency has been previously paid from other city funds.

Sec. 14. Section 422.7, subsections 9 and 11, Code Supplement 1985, are amended to read as follows:

9. Subtract the amount of the ~~work-incentive-program~~ credit-allowable-for-the-taxable-year-under-section-40-or the jobs tax credit allowable for the tax year under section 44B 51 of the Internal Revenue Code of 1954 to the extent that the credit increased federal adjusted gross income.

11. Subtract the amount of the alcohol fuel credit allowable for the tax year under section 44E 40 of the Internal Revenue Code of 1954 to the extent that the credit increased federal adjusted gross income.

Sec. 15. Section 422.12, subsections 2 and 3, Code 1985, are amended to read as follows:

2. A child and dependent care credit equal to ten percent of the qualifying employment-related expenses and subject to the same limitations provided by section 44E 21 of the Internal Revenue Code of 1954.

Married taxpayers electing to file separate returns or filing separately on a combined return must allocate the child and dependent care credit to each spouse in the proportion

that each spouse's respective net income bears to the total combined net income. Taxpayers affected by the allocation provisions of section 422.8 shall be permitted a deduction for the credit only in the amount as is fairly and equitably allocable to Iowa under rules prescribed by the director.

3. A political contributions credit equal to five percent of the first one hundred dollars donated as a political contribution as defined in section 414(c) of the Internal Revenue Code of 1954. In the case of a married couple filing a joint return, a political contributions credit equal to five percent of the first two hundred dollars donated shall be allowed.

Sec. 16. Section 422.16, subsections 1 and 11, Code 1985, are amended to read as follows:

1. Every withholding agent and every employer as defined in this chapter and further defined in the Internal Revenue Code of 1954, with respect to income tax collected at source, making payment of wages to either a resident employee or employees, or a nonresident employee or employees, working in Iowa, or to a resident employee, shall deduct and withhold from the wages an amount which will approximate the employee's annual tax liability on a calendar year basis, calculated on the basis of tables to be prepared by the department and schedules or percentage rates, based on the wages, to be prescribed by the department. Every employee or other person shall declare to the employer or withholding agent the number of the employee's or other person's personal exemptions and dependency exemptions or credits to be used in applying the tables and schedules or percentage rates; provided that, however, no more greater number of personal or dependency exemptions or credits may be declared by the employee or other person than the number to which the employee or other person is entitled except as allowed under section 3204 of the Internal Revenue Code of 1954. The claiming of exemptions or credits in excess of entitlement is a serious misdemeanor.

11. a. Every person or married couple filing a joint return shall make a declaration of estimated tax payments if the person's or their couple's Iowa income tax attributable to income other than wages subject to withholding can reasonably be expected to amount to fifty dollars or more for the taxable year, except that, in the cases of farmers and fishermen, the exceptions provided in the Internal Revenue Code of 1954 with respect to such declarations making estimated payments shall apply. The declaration provided for herein shall be filed on or before the last day of the fourth month of the taxpayer's tax year for which such declaration is filed, in such form as the director may require by regulations. The estimated tax shall be paid in quarterly installments. The first installment shall be paid at the time of filing the declaration on or before the last day of the fourth month of the taxpayer's tax year for which the estimated payments apply. The other installments shall be paid on or before June 30, September 30, and January 31. However, at the election of the person or married couple filing jointly, any installment of the estimated tax may be paid prior to the date prescribed for its payment. Whenever if a person or married couple filing a joint return have has reason to believe that the person's or their couple's Iowa income tax may increase or decrease, either for purposes of meeting the requirement to file a declaration of make estimated tax payments or for the purpose of increasing or decreasing such declaration, an amended estimate estimated tax payments, shall be filed by the person or them to reflect such increase or decrease in any subsequent estimated Iowa income tax payments accordingly.

b. In the case of persons or married couples filing jointly, the total balance of the tax payable after credits for taxes paid through withholding, as provided in subsection 1 of this section, or through declaration and payment of estimated tax, or a combination of such withholding and declaration of estimated tax payments, as provided herein, shall be due and payable on or before April 30, next following the close of the calendar year, or if the return

should ~~is to~~ be made on the basis of a fiscal year, then on or before the last day of the fourth month next following the close of such the fiscal year.

~~c. The declaration provided for in this section may be filed or amended during the taxable year under regulations prescribed by the director.~~

d c. If a taxpayer is unable to make the taxpayer's own declaration estimated tax payments, the declaration payments may be made by a duly authorized agent, or by the guardian or other person charged with the care of the person or property of such the taxpayer.

e d. Any amount of ~~tax paid on a declaration of~~ estimated tax ~~shall be~~ paid is a credit against the amount of tax found payable on a final, completed return, as provided in subsection 9, relating to the credit for the tax withheld against the tax found payable on a return properly and correctly prepared under ~~the provisions of section sections~~ sections 422.57 to and including section through 422.25, and any overpayment of one dollar or more shall be refunded to the taxpayer and the return ~~shall constitute~~ constitutes a claim for refund for this purpose. Amounts less than one dollar shall not be refunded ~~to the taxpayer only upon written application in accordance with section 422.24, but only if the application is filed within twelve months after the due date for the return.~~ The method provided by the Internal Revenue Code of 1954 for determining what is applicable to the addition to tax for underpayment of the tax payable applies to persons required to file declarations and make payments of estimated tax under this section except the amount to be added to the tax for underpayment of estimated tax ~~shall be~~ is an amount determined at the rate in effect under section 422.7. This addition to tax specified for underpayment of the tax payable is not subject to waiver provisions relating to reasonable cause, except as provided in the Internal Revenue Code of 1954. Underpayment of estimated tax shall be determined in the same manner as provided under the Internal Revenue Code of 1954 and the exceptions therein ~~in the Internal Revenue Code of 1954~~ also apply.

f e. In lieu of claiming a refund, the taxpayer may elect to have the overpayment shown on the taxpayer's final, completed return for the taxable year credited to the taxpayer's tax liability for the following taxable year.

Sec. 17. Section 422.17, Code 1985, is amended to read as follows:

422.17 CERTIFICATE ISSUED BY DEPARTMENT TO MAKE PAYMENTS WITHOUT WITHHOLDING.

Any nonresident whose Iowa income is not subject to section 422.16, subsection 1, in whole or in part, and who elects to be governed by subsection 12 of said that section to the extent that the nonresident ~~makes such declaration and~~ pays the entire amount of tax properly estimated thereunder on or before the last day of the fourth month of the nonresident's tax year, for such the year, may for ~~each such the~~ each such the year of ~~each such the~~ each such the election and such payment, be granted a certificate from the department authorizing each withholding agent, the income from whom the nonresident has included considered in the nonresident's ~~declaration of estimate~~ declaration of estimate payment of estimated tax and to the extent such the income is included in ~~such declaration of the~~ such the estimate, to make payments of income to such the nonresident without withholding such tax from such those payments. Withholding agents, ~~whenever such~~ if payments exceed the amount tax liability estimated by such the nonresident upon ~~the nonresident's declaration of estimate,~~ as indicated upon such the certificate, shall ~~proceed to~~ withhold tax in accordance with subsection 12 of section 422.16.

Sec. 18. Section 422.23, unnumbered paragraph 2, Code 1985, is amended to read as follows:

The judge of the district court in which the estate of the decedent is probated may, upon application being filed by the executor or administrator setting forth the income received by said the estate, fix a time and place for hearing upon said the application and prescribe the notice to be given to the director and may upon hearing determine whether or not the said estate is subject to income tax and, if the facts warrant

~~such a~~ that finding, enter an order relieving ~~said~~ the executor or administrator from making an income tax report and order that the ~~said~~ estate is not subject to the payment of income tax. ~~Such~~ The order shall ~~is~~ not become final until thirty days after ~~the same~~ it has been filed with the clerk of the district court and a copy of the order entered by the judge shall be immediately mailed to the director by ~~said~~ the executor or administrator ~~by registered mail~~ and a return filed showing the mailing of the ~~same~~ order.

Sec. 19. Section 422.25, subsection 1, Code 1985, is amended to read as follows:

1. Within three years after the return is filed or within three years after the return became due, including any extensions of time for filing, whichever time is the later, the department shall examine it and determine the correct amount of tax, and the amount determined by the department ~~shall be~~ is the tax. However, if the taxpayer omits from income an amount as which will, under the Internal Revenue Code of 1954, extend the statute of limitations for assessment of federal tax to six years under the federal law, the period for examination and determination is six years. In addition to the applicable period of limitation for examination and determination, the department may make an examination and determination at any time within six months from the date of receipt by the department of written notice from the taxpayer of the final disposition of any matter between the taxpayer and the internal revenue service with respect to the particular tax year. In order to begin the running of the six-months' period, the notice shall be in writing in any form sufficient to inform the department of the final disposition with respect to that year, and a copy of the federal document showing the final disposition or final federal adjustments shall be attached to the notice.

PARAGRAPH DIVIDED. The period for examination and determination of the correct amount of tax is unlimited in the case of a false or fraudulent return made with the intent to evade tax or in the case of a failure to file a return.

lieu of the period of limitation for any prior year for which an overpayment of tax or an elimination or reduction of an underpayment of tax due for that prior year results from the carryback to that prior year of a net operating loss or net capital loss, the period is the period of limitation for the taxable year of the net operating loss or net capital loss which results in the carryback. The burden of proof of additional tax owing under the six-year period, or unlimited period, is on the department. If the tax found due is greater than the amount paid, the department shall compute the amount due, together with interest and penalties as provided in subsection 2, and shall notify the taxpayer by certified mail of the total, which shall be computed as a sum certain if paid on or before the last day of the month in which the notice is postmarked, or on or before the last day of the following month if the notice is postmarked after the twentieth day of any month. The notice shall also inform the taxpayer of the additional interest and penalty which will be added to the total due if not paid on or before the last day of the applicable month.

Sec. 20. Section 422.27, subsection 1, Code Supplement 1985, is amended to read as follows:

1. A final account of a personal representative shall not be allowed by any court ~~until thirty days after written notice is given to the department of the proposed discharge of the personal representative and~~ unless the account shows, and the judge of the court finds, that all taxes imposed by this division upon the personal representative, which have become payable, have been paid, and that all taxes which may become due are secured by bond, deposit, or otherwise. The certificate of the director and the receipt for the amount of the tax certified ~~shall be~~ are conclusive as to the payment of the tax to the extent of the certificate.

Sec. 21. Section 422.28, Code 1985, as amended by House File 263, enacted by the Seventy-first General Assembly, 1986 Session, is amended to read as follows:

422.28 REVISION OF TAX.

A taxpayer may appeal to the director for revision of the tax, interest or penalties assessed at any time within entry sixty days from the date of the notice of the assessment of tax, additional tax, interest or penalties. The director shall grant a hearing and if, upon the hearing, the director determines that the tax, interest or penalties are excessive or incorrect, the director shall revise them according to the law and the facts and adjust the computation of the tax, interest or penalties accordingly. The director shall notify the taxpayer by registered mail of the result of the hearing and shall refund to the taxpayer the amount, if any, paid in excess of the tax, interest or penalties found by the director to be due, with interest after sixty days from the date of payment by the taxpayer at the rate in effect under section 421.7 for each month or a fraction of a month. The director may, on the director's own motion at any time, abate any portion of tax, interest or penalties which the director determines is excessive in amount, or erroneously or illegally assessed. The director shall prepare quarterly reports, which shall be included in the annual statistical reports required under section 422.75, summarizing each case in which an abatement of tax, interest or penalties was made under this section, but a report shall not disclose the identity of the taxpayer.

Sec. 22. Section 422.33, subsection 4, Code Supplement 1985, is amended to read as follows:

4. In addition to all taxes imposed under this division, there is imposed upon each corporation doing business within the state a state minimum tax for tax preference equal to seventy percent of the state's apportioned share of the federal minimum tax. The state's apportioned share of the federal minimum tax is a percent equal to the ratio of the federal minimum tax on preferences attributable to Iowa to the federal minimum tax on all preferences. The director shall prescribe rules for the determination of the amount of the federal minimum tax on preferences attributable to Iowa which shall be based as much as equitably possible on the allocation

and apportionment provisions of subsections 2 and 3. For purposes of this subsection, "federal minimum tax" means the federal minimum tax for tax preferences computed under ~~sections 55 to 58~~ section 56 of the Internal Revenue Code of 1954 for the tax year.

Sec. 23. Section 422.35, subsections 6 and 8, Code 1985, are amended to read as follows:

6. Subtract the amount of the ~~work-incentive-programs credit allowable for the tax year under section 40 or the jobs tax credit allowable for the tax year under section 44B 51~~ of the Internal Revenue Code of 1954 to the extent that the credit increased federal taxable income.

8. Subtract the amount of the alcohol fuel credit allowable for the tax year under section ~~44B 40~~ of the Internal Revenue Code of 1954 to the extent that the credit increased federal taxable income.

Sec. 24. Section 422.42, unnumbered paragraph 3, Code Supplement 1985, is amended by striking the unnumbered paragraph.

Sec. 25. Section 422.45, subsection 27, paragraph a, subparagraph (1), Code Supplement 1985, is amended to read as follows:

(1) "Insurance company" means an insurer organized or operating under chapters 508, 514, 515, 518, 519, 520 or authorized to do business in Iowa as an insurer and having fifty or more persons employed in this state excluding licensed insurance agents.

Sec. 26. Section 422.53, subsection 5, Code 1985, is amended to read as follows:

5. If the holder of a permit fails to comply with any of the provisions of this division or any orders order or rules rule of the department 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 send notice by mail to a permit holder informing that person of the director's intent to revoke the permit and of

the permit holder's right to a hearing on the matter. If the permit holder petitions the director for a hearing on the proposed revocation, after giving ten days' notice of the time and place of the hearing in accordance with section 17A.18, subsection 3, the matter may be heard and a decision rendered. The director may restore permits after revocation. The director shall 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.

Sec. 27. Section 422.57, subsection 1, Code 1985, is amended to read as follows:

1. Any ~~A~~ notice authorized or required under the ~~provisions~~ of this division may be given by mailing the same notice to the person for whom it is intended by certified mail, addressed to such that person at the address given in the last return filed by the person pursuant to the ~~provisions~~ of this division, or if no return has been filed, then to such any address ~~as may be~~ obtainable. The mailing of such the notice ~~shall be~~ is presumptive evidence of the receipt of the same notice by the person to whom addressed. Any period of time which is determined according to the ~~provisions~~ of this division by the giving of notice ~~shall commence~~ commences to run from the date of registration and posting of such the notice.

Sec. 28. Section 422.60, unnumbered paragraph 2, Code 1985, is amended to read as follows:

In addition to all taxes imposed under this division, there is imposed upon each financial institution doing business within the state a state minimum tax for tax preference items equal to seventy percent of the state's apportioned share of the federal minimum tax. The state's apportioned share of the federal minimum tax is a percent equal to the ratio of the federal minimum tax on preferences attributable to Iowa to the federal minimum tax on all preferences. The director shall prescribe rules for the determination of the amount of the federal minimum tax on preferences attributable to Iowa which

shall be based as much as equitably possible on the allocation and apportionment provisions of section 422.63. For purposes of this subsection, "federal minimum tax" means the federal minimum tax for tax preferences computed and paid or payable under sections 55-to-58 section 56 of the Internal Revenue Code of 1954.

Sec. 29. Section 422.110, unnumbered paragraph 1, Code 1985, is amended to read as follows:

In lieu of the fuel tax refund provided in sections 324.17 to 324.19, each a person or corporation subject to taxation under divisions II or III of this chapter, except those persons or corporations licensed under section 324.4 or 324.36, may elect to receive an income tax credit for tax years beginning on or after January 1, 1975. The person or corporation which elects to receive an income tax credit shall cancel its refund permit obtained under section 324.18 within thirty days after the first day of its tax year or the permit becomes invalid at that time. For the purposes of this section the ~~term~~, "person" includes a person claiming a tax credit based upon the person's pro rata share of the earnings from a partnership or corporation which ~~corporation or partnership as a business entity~~ is not subject to a tax under division II or III of this chapter as a partnership or corporation. When ~~If~~ the election to receive an income tax credit has been made, it remains effective for at least one tax year, and for subsequent tax years unless a change is requested and a new refund permit applied for within thirty days after the first day of the person's or corporation's tax year. The income tax credit shall be the amount of the Iowa fuel tax paid on fuel purchased by the person or corporation and used as follows:

Sec. 30. Section 422A.1, unnumbered paragraph 2, Code 1985, is amended to read as follows:

A local motel and motor tax shall be imposed on January 1, April 1, July 1, or October 1, following the notification of the director of revenue. Once imposed, the tax shall remain in effect at the rate imposed for a minimum of one year. A

local hotel and motel tax shall terminate only on March 31, June 30, September 30, or December 31. At least sixty days prior to the tax being effective or prior to a revision in the tax rate, or prior to the repeal of the tax, a city or county shall provide notice by certified mail of such action to the director of revenue.

Sec. 31. Section 423.7, Code 1985, is amended to read as follows:

423.7 VEHICLES SUBJECT TO REGISTRATION OR ONLY TO THE ISSUANCE OF TITLE.

The tax imposed upon the use of vehicles subject to registration or subject only to the issuance of a certificate of title shall be paid by the owner of the vehicle to the county treasurer or the state department of transportation from whom the registration receipt or certificate of title is obtained. A registration receipt for a vehicle subject to registration or certificate of title shall not be issued until the tax has been paid. The county treasurer or the state department of transportation shall require every applicant for a registration receipt for a vehicle subject to registration or certificate of title to supply information as the county treasurer or the director deems necessary as to the time of purchase, the purchase price, and other information relative to the purchase of the vehicle. On or before the tenth day of each month the county treasurer or the state department of transportation shall remit to the department the amount of the taxes collected during the preceding month, accompanied by a copy of each registration receipt issued in conjunction with the certificate of title issued for each vehicle.

Sec. 32. Section 425.3, unnumbered paragraph 4, Code 1985, is amended to read as follows:

The county auditor shall forward the claims to the board of supervisors. The board shall allow or disallow the claims. If the board disallows a claim, it shall send written notice, by certified mail, to the claimant at the claimant's last known address. The notice shall state the reasons for disallowing the claim for the credit.

Sec. 33. Section 425.33, unnumbered paragraph 1, Code 1985, is amended to read as follows:

If upon petition by a claimant the department of revenue determines that a landlord has increased the claimant's rent primarily because the claimant is eligible for reimbursement under this division, the department of revenue shall request the landlord by certified mail to reduce the rent appropriately.

Sec. 34. Section 425.34, Code 1985, is amended to read as follows:

425.34 HEARINGS AND APPEALS.

If the department of revenue orders a landlord to reduce rent to a claimant, then upon the request of the landlord the department of revenue shall hold a prompt hearing of the matter, to be conducted in accordance with the rules of the department. The department of revenue shall give notice of the decision by certified mail to the claimant and to the landlord.

The claimant and the landlord shall have the rights of appeal and review as provided in section 425.31.

Sec. 35. Section 427.1, subsection 26, Code Supplement 1985, is amended to read as follows:

26. REVOKING EXEMPTION. Any taxpayer or any taxing district may make application to the director of revenue for revocation for any exemption, based upon alleged violations of the provisions of this chapter. The director of revenue may also on the director's own motion set aside any exemption which has been granted upon property for which exemption is claimed under this chapter. The director of revenue shall give notice by certified mail to the societies or organizations claiming an exemption upon property, exemption of which is questioned before or by the director of revenue, and any order made by the director of revenue revoking or modifying such an exemption shall be subject to judicial review in accordance with the terms of the Iowa administrative procedure Act. Notwithstanding the terms of said Act, petitions for judicial review may be filed in the district

court having jurisdiction in the county in which such the property is located, and must be filed within thirty days after any order revoking such an exemption is made by the director of revenue.

Sec. 36. Section 427.6, unnumbered paragraph 4, Code 1985, is amended to read as follows:

The county auditor shall forward the claims to the board of supervisors. The board shall allow or disallow the claims. If the board disallows a claim, it shall send written notice, by certified mail, to the claimant at the claimant's last known address. The notice shall state the reasons for disallowing the claim for the exemption.

Sec. 37. Section 429.1, Code 1985, is amended to read as follows:

429.1 NOTICE OF ASSESSMENT.

The director of revenue shall, at the time of making the assessment of property as provided in chapters 428, 433, 434, 436, 437, and 438, inform the person assessed, by certified mail, of the valuation put upon the taxpayer's property. The notice shall contain a notice of the taxpayer's right of appeal to the state board of tax review as provided in section 429.2.

Sec. 38. Section 435.6, unnumbered paragraph 3, Code 1985, is amended to read as follows:

If the tax due is greater than the amount paid, the department shall compute the amount due, together with interest and penalties as provided in section 435.5, and shall notify the taxpayer by certified mail of the total if paid on or before the last day of the month in which the notice is postmarked.

Sec. 39. Section 437.4, Code 1985, is amended to read as follows:

437.4 ADDITIONAL STATEMENT.

Upon receipt of said the statements from the several companies, the director of revenue shall examine such the statements, and if the director ~~shall deem~~ deems them insufficient, and that further information is requisite

required, the director shall require the company making some the statements to make such other or further statement as the director ~~may desire~~ deems necessary, notifying such the company thereof by certified mail.

Sec. 40. Section 437.5, Code 1985, is amended to read as follows:

437.5 FAILURE TO FURNISH.

In case of the total failure or refusal to make any statement required by sections 437.2 and 437.4 to be made by May 1 in any year, or of failure or refusal to make such other or further statement within thirty days from the time the ~~certified-mail~~ notice thereof is received by said the company that the same additional statement is required by the director of revenue, such the company shall forfeit and pay to the state, one hundred dollars for each day the total failure or refusal to make any report is continued beyond the ~~said~~ first day of May of the year in which it is required, or in case of any such other or further report required by the director for each day ~~the same~~ it is delayed beyond thirty days from the receipt of the notice by said the company that same the additional report is required; ~~such~~. The forfeiture to shall be sued for and recovered in any proper form of action in the name of the state and on relation of the director of revenue of the state, and such the penalty, when collected, shall be paid into the general fund of the state.

Sec. 41. Section 441.65, Code 1985, is amended to read as follows:

441.65 PLATTING FOR ASSESSMENT AND TAXATION BY AUDITOR.

Whenever if a lot or subdivision of land is owned by two or more persons in severalty, and the description of one or more of the different parts or parcels thereof cannot, in the judgment of the county auditor or the assessor, be made sufficiently certain and accurate for the purposes of assessment and taxation without noting the metes and bounds of the same property, or whenever if the proprietor or any a subdivision of land has sold or conveyed any part thereof of it, or interested the public with an rights interest in it, and

has failed to file for record a plat as provided in chapter 409, the county auditor ~~by certified mail~~ shall notify all of the owners by mail, and demand compliance. If the owners fail to execute and file the plat within sixty days after the issuance of such the notice to execute and file said the plat for record, the auditor shall ~~cause make~~ a plat ~~to be made as the auditor deems appropriate~~ in accordance with the ~~provisions of~~ chapter 409. The auditor may contract for the services of a registered land surveyor as necessary to comply with this section.

PARAGRAPH DIVIDED. Every conveyance of land in this state ~~shall be is~~ deemed to be a warranty that the description therein contained in the conveyance is sufficiently definite and accurate to enable the auditor to enter ~~the same it~~ on the plat book required to be kept ~~and when.~~ When there is presented for entry on the transfer book any a conveyance in which the description is not sufficiently definite and accurate, the auditor shall note such fact on the deed, with that of the entry for transfer, and shall notify the person presenting it that the land therein is not sufficiently described, and that it must be platted within sixty days thereafter. If the grantor in the conveyance ~~shall neglect neglects~~ for sixty days thereafter to file for record a plat thereof of the property, then the auditor shall proceed as ~~is~~ provided in this section, and ~~cause make~~ the plat ~~to be made~~ in accordance with the ~~provisions of~~ chapter 409 and recorded record the plat in the office offices of the auditor, and the ~~office of~~ the county recorder, and ~~in the office of~~ the assessor.

Sec. 42. Section 443.7, Code 1985, is amended to read as follows:

443.7 NOTICE.

Before assessing and listing for taxation any omitted property, the assessor or auditor shall notify by certified mail the person ~~firm corporation or administrator or other~~ person in whose name the property is taxed, to appear before the assessor or auditor at the assessor's or auditor's office

within ten days from the time date of said the notice and show cause, if any ~~there be~~, why such the correction or assessment should not be made.

Sec. 43. Section 447.9, Code 1985, is amended to read as follows:

447.9 NOTICE OF EXPIRATION OF RIGHT OF REDEMPTION.

After two years and nine months from the date of sale, or after nine months from the date of a sale made under the ~~provisions of~~ section 446.18, 446.38 or 446.39, the holder of the certificate of purchase may cause to be served upon the person in possession of the real estate, and also upon the person in whose name the real estate is taxed, ~~if the person resides in the county where the land is situated;~~ in the manner provided for the service of original notices, a notice signed by the certificate holder or the certificate holder's agent or attorney, stating the date of sale, the description of the property sold, the name of the purchaser, and that the right of redemption will expire and a deed for the land be made unless redemption is made within ninety days from the completed service of the notice. When the notice is given by a county as a holder of a certificate of purchase the notice shall be signed by the county treasurer, and when given by a city, it shall be signed by the city officer designated by resolution of the council. When the notice is given by the Iowa housing finance authority or a city or county agency holding the property as part of an Iowa homesteading project, it shall be signed on behalf of the agency or authority by one of its officers, as authorized in rules of the agency or authority.

PARAGRAPH DIVIDED. Service of the notice shall also be made by certified mail on any mortgagee or assignee of record, ~~whether resident or nonresident of the county, if the mortgagee's or assignee's address is disclosed by the recorded instrument or by a certificate showing the address of the mortgagee or assignee duly filed with the recorder, or having a~~ lien upon the real estate, a vendor of the real estate under a recorded contract of sale, a lessor who has a recorded lease

or memorandum of a recorded lease, and any other person who has an interest of record, at the person's last known address, and on the state of Iowa in case of an old-age assistance lien by service upon the state department of human services. The notice shall also be served on any city where the real estate is situated.

Sec. 44. Section 450.58, Code Supplement 1985, is amended to read as follows:

450.58 FINAL SETTLEMENT TO SHOW PAYMENT.

The final settlement of the account of a personal representative shall not be accepted or allowed ~~until thirty days after written notice is given to the department of the proposed discharge of the personal representative and~~ unless it shows, and the court finds, that all taxes imposed by this chapter upon any property or interest in property that is made payable by the personal representative and to be settled by the account, has been paid, and that the receipt of the department of revenue for the tax has been obtained as provided in section 450.64. Any order contravening this section is void.

Sec. 45. Section 450.94, subsection 3, Code Supplement 1985, is amended to read as follows:

3. If the amount paid is greater than the correct tax, penalty, and interest due, the department shall refund the excess, with interest after sixty days from the date of payment at the rate in effect under section 421.7, under the rules prescribed by the director. However, the director shall not allow a claim for refund or credit that has not been filed with the department within three years after the tax payment upon which a refund or credit is claimed became due, or one year after the tax payment was made, whichever time is the later. A determination by the department of the amount of tax, penalty, and interest due, or the amount of refund for excess tax paid, is final unless the person aggrieved by the determination appeals to the director for a revision of the determination within ninety days from the postmark date of the notice of determination of tax, penalty, and interest due or

refund owing. The director shall grant a hearing, and upon the hearing the director shall determine the correct tax, penalty, and interest or refund due, and notify the appellant of the decision by certified mail. The decision of the director is final unless the appellant seeks judicial review of the director's decision under section 450.59 within sixty days after the postmark date of the notice of the director's decision.

Sec. 46. Section 450A.2, unnumbered paragraph 1, Code 1985, is amended to read as follows:

A tax is hereby imposed on the transfer of any property, included in a generation skipping transfer occurring at the same time as, or after, the death of the deemed transferor, equal to the amount of the maximum federal credit allowable under section ~~2602(e)5E~~ 2602(c)(5)(B) of the Internal Revenue Code of 1954, for that portion of state estate, inheritance, legacy, or succession tax paid in respect of any property included in the generation skipping transfer.

Sec. 47. Section 451.6, Code 1985, is amended to read as follows:

451.6 PAYMENT OF TAX.

The tax imposed by this chapter shall be paid by the personal representative to the department of revenue ~~within twelve months from the date of~~ on or before the last day of the ninth month after the death of such the decedent, or in case such decedent died more than twelve months prior to April 17, 1929, then within six months after the effective date hereof.

Sec. 48. Section 428A.14, Code 1985, is repealed.

Sec. 49. Sections 434.2, 434.3, 434.4, and 434.5, Code 1985, are repealed.

Sec. 50. Sections 20 and 43 are effective for final reports of personal representatives filed on or after July 1, 1985 and to this extent these sections are retroactive.

Sec. 51. Sections 13, 15, 16, 17, 22, 23, 27, 45, and 47 are retroactive to January 1, 1986 for tax years beginning on or deemed transfers dying on or after January 1, 1986.

Sec. 52. Section 46 is effective for estates of decedents dying on or after July 1, 1986.

Sec. 53. Section 4 is effective January 1, 1987.

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DONALD D. AVENSON  
Speaker of the House

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ROBERT T. ANDERSON  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2471, Seventy-first General Assembly.

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JOSEPH O'HERN  
Chief Clerk of the House

Approved May 29, 1986

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TERRY E. BRANSTAD  
Governor