

Sen. Rep. - Thoms 4/9 D. Sen 4/23 (p. 136c)

House File 2475

WAYS AND MEANS: Dieleman, Chair; Riordan and Readinger

WAYS & MEANS CALENDAR

HOUSE FILE 2475
BY COMMITTEE ON WAYS AND MEANS

(Formerly House Study Bill 648)

Passed House, Date 4-7-86 (p. 137c) Passed Senate, Date 4-25-86 (p. 137c)

Vote: Ayes 88 Nays 9 Vote: Ayes 38 Nays 8

Approved May 22, 1986

A BILL FOR

1 An Act exempting certain nonresidents engaged in feature film,
2 television, and educational production from the state income
3 tax withholding provisions.

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

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HF 2475

1 Section 1. Section 422.16, subsection 1, Code 1985, is
2 amended by adding the following new unnumbered paragraph:
3 NEW UNNUMBERED PARAGRAPH. Nonresidents engaged in any
4 facet of feature film, television, or educational production
5 using the film or video tape disciplines in the state are not
6 subject to Iowa withholding if the employer has applied to the
7 department for exemption from the withholding requirement and
8 the department has determined that any nonresident receiving
9 wages would be entitled to a credit against Iowa income taxes
10 paid.

11 Sec. 2. This Act is retroactive to January 1, 1986 for tax
12 years beginning on or after that date.

13 EXPLANATION

14 The bill provides that nonresidents engaged in any facet of
15 the feature film, television, or educational production using
16 the film or video tape disciplines in the state are not
17 subject to state income tax withholding upon filing for
18 exemption by the employer and determination that the
19 nonresident would be entitled to a credit against Iowa income
20 taxes paid.

21 The bill is retroactive to January 1, 1986 for tax years
22 beginning on or after that date.

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HOUSE FILE 2475

S-5743

1 Amend House File 2475 as passed by the House as
2 follows:

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

5 "Section 1. Section 422.16, subsection 1, Code
6 1985, is amended to read as follows:

7 1. Every withholding agent and every employer as
8 defined in this chapter and further defined in the
9 Internal Revenue Code of 1954, with respect to income
10 tax collected at source, making payment of wages to
11 either a resident employee or employees, or a
12 nonresident employee or employees, working in Iowa,
13 shall deduct and withhold from the wages an amount
14 which will approximate the employee's annual tax
15 liability on a calendar year basis, calculated on the
16 basis of tables to be prepared by the department and
17 schedules or percentage rates, based on the wages, to
18 be prescribed by the department. However, if the
19 employer is an Iowa-based employer, the employer is
20 not required to withhold from wages paid to a
21 nonresident employee any amount for the employee's tax
22 liability if the employer notifies the employee that
23 the employer is not making any withholding and that
24 the employee must make a declaration and payments as
25 provided in section 422.17. The employer shall also
26 notify the department of the fact that the employer is
27 not withholding any amounts from wages paid to the
28 employee. Every employee or other person shall
29 declare to the employer or withholding agent the
30 number of the employee's personal exemptions and
31 dependency exemptions or credits to be used in
32 applying the tables and schedules or percentage rates,
33 provided that no more personal or dependency
34 exemptions or credits may be declared by the employee
35 or other person than the number to which the employee
36 or other person is entitled except as allowed under
37 section 3204(m)(1) of the Internal Revenue Code of
38 1954. The claiming of exemptions or credits in excess
39 of entitlement is a serious misdemeanor."

40 2. Title page, line 2, by inserting after the
41 word "production" the following: "and certain Iowa-
42 based employers employing nonresidents".

S-5743 Filed April 24, 1986 BY HOLDEN

Revised not from on 4/25 (z 1345)

HSB 648

Study Bill 648

WAYS AND MEANS

Ways and Means: Peterson of Carroll, Chair; De Groot and Petersen of Muscatine.

Handwritten: HSB 2475

SENATE/HOUSE FILE 2475
BY (PREFILED IOWA DEVELOPMENT
COMMISSION BILL)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act exempting an employer within the motion picture industry
2 from the requirement to withhold state income taxes from
3 payments made to nonresident employees.

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

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1 Section 1. Section 422.16, subsection 12, Code 1985, is
2 amended by adding the following new unnumbered pararaph:

3 NEW UNNUMBERED PARAGRAPH. Notwithstanding this subsection,
4 an employer within the motion picture industry is not subject
5 to the requirement to withhold state income taxes from pay-
6 ments made to nonresident employees for work performed in the
7 motion picture industry.

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EXPLANATION

9 The bill exempts employers within the motion picture in-
10 dustry from withholding state income taxes from payments made
11 to nonresident employees for work performed in the motion
12 picture industry.

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Sec. 2. This Act is retroactive to January 1, 1986 for tax years beginning on or after that date.

HOUSE FILE 2475

AN ACT
EXEMPTING CERTAIN NONRESIDENTS ENGAGED IN FEATURE FILM, TELEVISION, AND EDUCATIONAL PRODUCTION FROM THE STATE INCOME TAX WITHHOLDING PROVISIONS.

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

Section 1. Section 422.16, subsection 1, Code 1985, is amended by adding the following new unnumbered paragraph:
NEW UNNUMBERED PARAGRAPH. Nonresidents engaged in any facet of feature film, television, or educational production using the film or video tape disciplines in the state are not subject to Iowa withholding if the employer has applied to the department for exemption from the withholding requirement and the department has determined that any nonresident receiving wages would be entitled to a credit against Iowa income taxes paid.

DONALD D. AVENSON
Speaker of the House

ROBERT T. ANDERSON
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2475, Seventy-first General Assembly.

JOSEPH O'HERN
Chief Clerk of the House

Approved _____, 1986

TERRY E. BRANSTAD
Governor