

MAR 19 1987

HOUSE FILE 589

WAYS & MEANS CALENDAR

BY COMMITTEE ON WAYS AND MEANS

(Formerly House File 141) -

Passed House, Date 4-7-87 (g. 1235) Passed Senate, Date 4/24/87 (g. 1505)

Vote: Ayes 73 Nays 24 Vote: Ayes 39 Nays 6

Approved June 4, 1987

Amended to reword (g. 1239)
" 2-10-87 (g. 1252)

A BILL FOR

1 An Act to strike the repeal of the tax for equipment replacement
2 at the area schools.

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

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

HF 589

1 Section 1. 1983 Iowa Acts, chapter 180, section 2, is
2 repealed.

3 EXPLANATION

4 This bill strikes the July 1, 1988 repeal of the three
5 cents per thousand dollars of assessed valuation tax levy for
6 equipment replacement at the merged area schools.

7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35

HOUSE FILE 589

H-3695

Amend House File 589 as follows:

1. Page 1, by inserting before line 1 the
 3 following:
 4 "Section 1. Section 280A.28, Code 1987, is amended
 5 by striking the section and inserting in lieu thereof
 6 the following:
 7 280A.28 SURTAX FOR EQUIPMENT REPLACEMENT.
 8 Annually, following publication of notice and the
 9 holding of a public hearing, the board of directors
 10 may approve the raising of an equipment replacement
 11 amount not exceeding the amount that could be raised
 12 if a property tax of three cents per thousand dollars
 13 of assessed valuation were levied on all taxable
 14 property in the merged area. The amount shall be
 15 raised by an income surtax imposed on the state income
 16 tax. For each year in which the board of directors
 17 approves the imposition of the surtax the board of
 18 directors shall estimate and certify to the director
 19 of revenue and finance the amount required from the
 20 income surtax for the equipment replacement amount.
 21 The director of revenue and finance shall establish
 22 the rate of the income surtax based upon an average of
 23 the income tax collections in the merged area for the
 24 three preceding years.

25 The income surtax shall be imposed on the state
 26 individual income tax for the calendar year, or for a
 27 taxpayer's fiscal year ending during the second half
 28 of that calendar year or the first half of the
 29 succeeding calendar year, and shall be imposed on all
 30 individuals residing in the merged area on the last
 31 day of the applicable tax year. As used in this
 32 section, "state individual income tax" means the tax
 33 computed under section 422.5, less the deductions
 34 allowed in sections 422.10, 422.11, and 422.12.

35 Sections 442.16, 442.17, 442.19, and 442.20 apply
 36 to the income surtax established in this section. The
 37 director of revenue and finance shall deposit all
 38 moneys received as income surtax to the credit of each
 39 area school from which the moneys are received, in an
 40 "income surtax fund" which is established in the
 41 office of the treasurer of state.

42 Annually, after crediting to the department of
 43 revenue and finance a reasonable amount for costs of
 44 administration, the treasurer of state shall remit to
 45 the area schools which have imposed an income surtax
 46 their share of the balance in the income surtax fund.
 47 The proceeds of the tax shall be pledged for the
 48 payment of the equipment replacement amount. The
 49 costs of administration shall be determined by the
 50 department of revenue and finance, and shall be based

1 on a share of the total cost of administering the
2 department, in the same proportion as the amount of
3 income surtax collected is to the amount of state
4 income taxes collected.

5 The department of revenue and finance shall supply
6 appropriate forms, or provide space on the regular
7 state income tax forms, for reporting area school
8 income tax liability, and shall administer the income
9 surtax as nearly as possible in conjunction with the
10 administration of the state income tax law, for
11 purposes of economy and efficiency. The department of
12 revenue and finance shall adopt rules to carry out the
13 collection and administration of the income surtax.
14 The amount of income surtax collected in a merged area
15 above the amount estimated to be collected shall be
16 placed in a separate income surtax account to be used
17 to supplement the surtax portion during years in which
18 the amount of income surtax collected is less than the
19 amount estimated to be collected."

20 2. Title page, by striking lines 1 and 2 and
21 inserting the following: "An Act relating to the tax
22 for equipment replacement at the area schools,
23 including imposition of an income surtax and striking
24 the equipment replacement repeal."

25 3. By renumbering as necessary.

BY SCHNEKLOTH of Scott
STUELAND of Clinton
BENNETT of Ida
PETERSEN of Muscatine

MAULSBY of Calhoun
DE GROOT of Lyon
HANSON of Delaware
PLASIER of Sioux

H-3695 FILED APRIL 9, 1987

Filed o/c 4/10 (p. 1252)

HOUSE FILE 589

1 Amend House File 589, as follows:

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

4 "Section 1. Section 280A.28, Code 1987, is amended
5 to read as follows:

6 280A.28 TAX FOR EQUIPMENT REPLACEMENT.

7 Annually following publication of notice and the
8 holding of a public hearing, the board of directors
9 may certify for levy a tax on taxable property in the
10 merged area at a rate not exceeding three cents per
11 thousand dollars of assessed valuation for equipment
12 replacement for the area school."

13 2. Title page, by striking lines 1 and 2 and
14 inserting the following: "An Act relating to the tax
15 for equipment replacement at the area schools,
16 including provision of notice and public hearing and
17 striking its repeal."

18 3. By renumbering as necessary.

BY SCHNEKLOTH of Scott
HALVORSON of Clayton
HERMANN of Scott

H-3691 FILED APRIL 9, 1987

Filed o/c 4/10 (p. 1252)

AN ACT
TO STRIKE THE REPEAL OF THE TAX FOR EQUIPMENT REPLACEMENT AT
THE AREA SCHOOLS.

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

Section 1. 1983 Iowa Acts, chapter 180, section 2, is
repealed.

DONALD D. AVENSON
Speaker of the House

JO ANN ZIMMERMAN
President of the Senate

I hereby certify that this bill originated in the House and
is known as House File 589, Seventy-second General Assembly.

Approved June 4, 1987

JOSEPH O'HERN
Chief Clerk of the House

TERRY E. BRANSTAD
Governor

HF 589