

MAR 6 1996
WAYS AND MEANS

HOUSE FILE 2467
BY TYRRELL

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

A BILL FOR

1 An Act relating to the retention by retailers of a portion of
2 sales, services, and use taxes collected.

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

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HF 2467

1 Section 1. Section 422.51, subsection 1, Code 1995, is
2 amended to read as follows:

3 1. Each person subject to sections 422.52 and 422.53 and
4 in accordance with ~~the provisions thereof~~ those sections
5 shall, on or before the last day of the month following the
6 close of each calendar quarter during which ~~such~~ the person is
7 or has become or ceased being subject to the provisions of
8 ~~such~~ those sections, make, sign, and file a return for ~~such~~
9 the calendar quarter in ~~such~~ the form as may be required.
10 ~~Such~~ The returns shall show information relating to gross
11 receipts including goods, wares, and services converted to the
12 use of ~~such~~ the person, the amounts of gross receipts excluded
13 and exempt from the tax, the receipts subject to tax, a
14 calculation of tax due less the amount retained pursuant to
15 section 422.52, subsection 9, and such other information for
16 the period covered by the return as may be required. Persons
17 required to file, or committed to file by reason of voluntary
18 action or by order of the department, monthly deposits of
19 taxes due under this division shall be entitled to take credit
20 against the total quarterly amount of tax due ~~such~~ the amount
21 as shall have been deposited by ~~such~~ the persons during ~~such~~
22 the calendar quarter. The balance remaining due after ~~such~~
23 credit for monthly deposits, less the amount retained pursuant
24 to section 422.52, subsection 9, shall be entered on the
25 return; ~~provided, however, that such.~~ However, the person may
26 be granted an extension of time not exceeding thirty days for
27 filing ~~such~~ the quarterly return, upon a proper showing of
28 necessity therefor. ~~If such~~ In order for the extension to be
29 granted ~~such,~~ the person ~~shall~~ must have paid by the twentieth
30 day of the month following the close of ~~such~~ the quarter
31 ninety percent of the estimated tax due.

32 Sec. 2. Section 422.52, subsection 1, Code 1995, is
33 amended to read as follows:

34 1. The tax levied under this division is due and payable
35 in quarterly installments on or before the last day of the

1 month following each quarterly period except as otherwise
2 provided in this subsection. Every retailer who collects more
3 than four thousand dollars in retail sales tax in a
4 semimonthly period shall deposit with the department or in a
5 depository authorized by law and designated by the director,
6 the amount collected, less the amount retained under
7 subsection 9, or an amount equal to not less than one-sixth of
8 the tax collected and paid to the department during the
9 preceding quarter, with a deposit form for the semimonthly
10 period as prescribed by the director. The first semimonthly
11 deposit form is for the period from the first of the month
12 through the fifteenth of the month and is due on or before the
13 twenty-fifth day of the month. The second semimonthly deposit
14 form is for the period from the sixteenth through the end of
15 the month and is due on or before the tenth day of the month
16 following the month of collection. A deposit is not required
17 for the last semimonthly period of the calendar quarter. The
18 total quarterly amount, less the amount deposited for the five
19 previous semimonthly periods, is due with the quarterly report
20 on the last day of the month following the month of
21 collection. A retailer who collects more than five hundred
22 dollars in retail sales taxes in one month and not more than
23 four thousand dollars in retail sales taxes in a semimonthly
24 period shall deposit with the department or in a depository
25 authorized by law and designated by the director, the amount
26 collected, less the amount retained under subsection 9, or an
27 amount equal to not less than one-third of the tax collected
28 and paid to the department during the preceding quarter, with
29 a deposit form for the month as prescribed by the director.
30 The deposit form is due on or before the twentieth day of the
31 month following the month of collection, except a deposit is
32 not required for the third month of the calendar quarter and
33 the total quarterly amount, less the amounts deposited for the
34 first two months of the quarter, is due with the quarterly
35 report on the last day of the month following the month of

1 collection. Every retailer who collects more than fifty
2 dollars and not more than five hundred dollars in retail sales
3 tax in one month shall deposit with the department or in a
4 depository authorized by law and designated by the director,
5 the amount collected, less the amount retained under
6 subsection 9, or an amount equal to not less than one-third of
7 the tax collected and paid to the department during the last
8 preceding quarter, with a deposit form for the month as
9 prescribed by the director. The deposit form is due on or
10 before the twentieth day of the month following the month of
11 collection, except a deposit is not required for the third
12 month of the calendar quarter and the total quarterly amount,
13 less the amounts deposited for the first two months of the
14 quarter, is due with the quarterly report on the last day of
15 the month following the month of collection. The monthly
16 remittance procedure is optional for any sales tax permit
17 holder whose average monthly collection of tax amounts to more
18 than twenty-five dollars and less than fifty dollars. If the
19 exact amounts of the taxes due or an amount equal to not less
20 than one-third or one-sixth, as applicable, of the tax
21 collected and paid to the department during the last preceding
22 quarter on the deposit form are not ascertainable by the
23 retailer, or would work undue hardship in the computation of
24 the taxes due by the retailer, the director may provide by
25 rules alternative procedures for estimating the amounts (but
26 not the dates) due by the retailers. The forms prescribed by
27 the director shall be referred to as "retailers semimonthly
28 tax deposit" or "retailers monthly tax deposit". Deposit
29 forms shall be signed by the retailer or the retailer's duly
30 authorized agent, and shall be duly certified by the retailer
31 or agent to be correct. The director may authorize
32 incorporated banks and trust companies or other depositories
33 authorized by law which are depositories or financial agents
34 of the United States, or of this state, to receive any tax
35 imposed under this chapter, in the manner, at the times and

1 under the conditions the director prescribes. The director
2 shall prescribe the manner, times, and conditions under which
3 the receipt of the tax by those depositories is to be treated
4 as payment of the tax to the department.

5 Sec. 3. Section 422.52, Code 1995, is amended by adding
6 the following new subsection:

7 NEW SUBSECTION. 9. A retailer who timely files a deposit
8 form and the remittance due the department under this section
9 is entitled to retain five percent of the amount of tax col-
10 lected.

11 Sec. 4. Section 423.13, Code 1995, is amended by adding
12 the following new unnumbered paragraph:

13 NEW UNNUMBERED PARAGRAPH. A retailer who timely files a
14 deposit form and the remittance due the department under this
15 section is entitled to retain five percent of the amount of
16 the tax collected.

17 Sec. 5. This Act applies to sales, services, and use taxes
18 collected after the effective date of this Act.

19 EXPLANATION

20 The bill allows a retailer to retain 5 percent of the sales
21 and use taxes collected if the tax deposit forms and tax due
22 are timely filed. The bill applies to taxes collected after
23 the effective date of this bill.

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