

REPRINTED

FILED MAR 28 1996

SENATE FILE **2455**  
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SSB 2313)

Passed Senate, Date <sup>(P.1179)</sup> 4/2/96 Passed House, Date <sup>(P.1722)</sup> 4/17/96  
Vote: Ayes 48 Nays 0 Vote: Ayes 93 Nays 0  
Approved 4/24/96

**A BILL FOR**

1 An Act relating to the administration of taxes; electronic filing  
2 of tax returns and payments; imposition of the penalty for  
3 willfully filing a false claim for refund; low income,  
4 elderly, and disabled property tax credit filing and  
5 certification dates; computation of the real estate transfer  
6 tax; repeal of obsolete property tax provision; and providing  
7 effective and retroactive applicability dates.

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

9

SENATE FILE 2455

S-5618

1 Amend Senate File 2455 as follows:

2 1. Page 1, line 7, by striking the words  
3 "providing that" and inserting the following:

A 4 "allowing for".

5 2. Page 1, line 8, by striking the words "be  
6 made".

7 3. Page 1, line 9, by inserting after the word  
8 "methods." the following: "However, the director  
9 shall not require that such payments be made by those  
10 methods."

*A. adopted 4-2-96 (P.1178)*  
*B. Withdrawn* BY MERLIN E. BARTZ

S-5618 FILED APRIL 1, 1996

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S.F. 2455

1 Section 1. Section 421.17, Code Supplement 1995, is  
2 amended by adding the following new subsection:

3 NEW SUBSECTION. 15. The director may establish criteria  
4 allowing for the use of electronic filing or the use of  
5 alternative filing methods of any return, deposit, or document  
6 required to be filed for taxes administered by the department.  
7 The director may also establish criteria providing that  
8 payment of taxes, penalty, interest, and fees be made by  
9 electronic funds transfer or other alternative methods.

10 The director shall adopt rules setting forth procedures for  
11 use in electronic filing and electronic funds transfer or  
12 other alternative methods and standards that provide for  
13 acceptance of a signature in a form other than the handwriting  
14 of a person. The rules shall also take into consideration any  
15 undue hardship electronic filing or electronic funds transfer  
16 or other alternative methods create for filers.

17 Sec. 2. Section 421.27, Code 1995, is amended by adding  
18 the following new subsection:

19 NEW SUBSECTION. 5A. IMPROPER RECEIPT OF REFUND OR CREDIT.  
20 A person who makes an erroneous application for refund shall  
21 be liable for any overpayment received plus interest at the  
22 rate in effect under section 421.7. In addition, a person who  
23 willfully makes a false or frivolous application for refund  
24 with intent to evade tax is guilty of a fraudulent practice  
25 and is liable for a penalty equal to seventy-five percent of  
26 the refund claimed. Repayments, penalties, and interest due  
27 under this subsection may be collected and enforced in the  
28 same manner as the tax imposed.

29 Sec. 3. Section 425.20, unnumbered paragraph 2, Code 1995,  
30 is amended to read as follows:

31 A claim for credit for property taxes due shall not be paid  
32 or allowed unless the claim is filed with the county treasurer  
33 between January 1 and June 1, both dates inclusive,  
34 immediately preceding the fiscal year during which the  
35 property taxes are due. However, in case of sickness,

1 absence, or other disability of the claimant, or if in the  
2 judgment of the county treasurer good cause exists, the county  
3 treasurer may extend the time for filing a claim for credit  
4 through September 30 of the same calendar year. The county  
5 treasurer shall ~~submit-the-claim~~ certify to the director of  
6 revenue and finance on or before August May 1 of each year the  
7 total amount of dollars due for claims allowed.

8 Sec. 4. Section 425.23, subsection 3, paragraph a, Code  
9 1995, is amended to read as follows:

10 a. A person who is eligible to file a claim for credit for  
11 property taxes due and who has a household income of six  
12 thousand dollars or less and who has an unpaid special  
13 assessment levied against the homestead may file a claim for a  
14 special assessment credit with the county treasurer ~~that-the~~  
15 ~~claimant-had-a-household-income-of-six-thousand-dollars-or~~  
16 ~~less-and-that-an-unpaid-special-assessment-is-presently-levied~~  
17 ~~against-the-homestead.~~ The department shall provide to the  
18 respective treasurers the forms necessary for the  
19 administration of this subsection. The claim shall be filed  
20 not later than September 30 of each year. Upon the filing of  
21 the claim, interest for late payment shall not accrue against  
22 the amount of the unpaid special assessment due and payable.  
23 The claim filed by the claimant constitutes a claim for credit  
24 of an amount equal to the actual amount due upon the unpaid  
25 special assessment, plus interest, payable during the fiscal  
26 year for which the claim is filed against the homestead of the  
27 claimant. However, where the claimant is an individual  
28 described in section 425.17, subsection 2, paragraph "b", and  
29 the tentative credit is determined according to the schedule  
30 in section 425.23, subsection 1, paragraph "b", subparagraph  
31 (2), the claim filed constitutes a claim for credit of an  
32 amount equal to one-half of the actual amount due and payable  
33 during the fiscal year. ~~The-department-of-revenue-and-finance~~  
34 ~~shall, upon the filing of the claim with the department by the~~  
35 ~~treasurer, pay that amount of the unpaid special assessment~~

1 ~~during-the-current-fiscal-year-to-the-treasurer.~~ The  
2 treasurer shall ~~submit-the-claims~~ certify to the director of  
3 revenue and finance not later than October 15 of each year the  
4 total amount of dollars due for claims allowed. ~~The-director~~  
5 ~~of-revenue-and-finance-shall-certify-the-amount-of~~  
6 ~~reimbursement-due-each-county-for-unpaid-special-assessment~~  
7 ~~credits-allowed-under-this-subsection.~~ The amount of  
8 reimbursement due each county shall be paid by the director of  
9 revenue and finance ~~on-October-20~~ by November 15 of each year,  
10 drawn upon warrants payable to the respective treasurer.  
11 There is appropriated annually from the general fund of the  
12 state to the department of revenue and finance an amount  
13 sufficient to carry out the provisions of this subsection.  
14 The treasurer shall credit any moneys received from the  
15 department against the amount of the unpaid special assessment  
16 due and payable on the homestead of the claimant.

17 Sec. 5. Section 427.1, subsection 27, Code Supplement  
18 1995, is amended by striking the subsection.

19 Sec. 6. Section 428A.1, unnumbered paragraph 1, Code 1995,  
20 is amended to read as follows:

21 There is imposed on each deed, instrument, or writing by  
22 which any lands, tenements, or other realty in this state are  
23 granted, assigned, transferred, or otherwise conveyed, a tax  
24 determined in the following manner: When there is no  
25 consideration or when the deed instrument or writing is  
26 executed and tendered for recording as an instrument  
27 corrective of title, and so states, there is no tax. When  
28 there is consideration and the actual market value of the real  
29 property transferred is in excess of five hundred dollars, the  
30 tax is eighty cents for each five hundred dollars or  
31 fractional part of five hundred dollars in excess of five  
32 hundred dollars. The term "consideration", as used in this  
33 chapter, means the full amount of the actual sale price of the  
34 real property involved, paid or to be paid, including the  
35 amount of an encumbrance or lien on the property, whether if

1 assumed or-not by the grantee. It is presumed that the sale  
2 price so stated includes the value of all personal property  
3 transferred as part of the sale unless the dollar value of  
4 personal property is stated on the instrument of conveyance.  
5 When the dollar value of the personal property included in the  
6 sale is so stated, it shall be deducted from the consideration  
7 shown on the instrument for the purpose of determining the  
8 tax.

9 Sec. 7. Section 435.22, subsection 5, unnumbered paragraph  
10 1, Code 1995, is amended to read as follows:

11 A claim for credit for mobile home tax due shall not be  
12 paid or allowed unless the claim is actually filed with the  
13 county treasurer between January 1 and June 1, both dates  
14 inclusive, immediately preceding the fiscal year during which  
15 the home taxes are due and, with the exception of a claim  
16 filed on behalf of a deceased claimant by the claimant's legal  
17 guardian, spouse, or attorney, or by the executor or  
18 administrator of the claimant's estate, contains an affidavit  
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26 treasurer shall ~~submit-the-claim~~ certify to the director of  
27 revenue and finance on or before ~~August-1~~ November 15 each  
28 year the total dollar amount due for claims allowed.

29 Sec. 8. Sections 1, 2, 3, 4, and 7 of this Act, being  
30 deemed of immediate importance, take effect upon enactment and  
31 apply retroactively to January 1, 1996. Sections 3, 4, and 7  
32 of this Act apply to claims filed on or after January 1, 1996.

33 EXPLANATION

34 The bill allows the director to establish criteria for  
35 allowing tax returns and other documents required for tax

1 administration to be filed by electronic means or other  
2 alternative methods rather than on a paper document. It  
3 further provides that the director may require that payments  
4 be made to the department by electronic funds transfer.

5 This bill allows the department to recover taxes refunded  
6 in error plus applicable interest. If the refund is false or  
7 frivolous, with the intent to evade tax, the department would  
8 have authority to assess a 75 percent penalty plus applicable  
9 interest. This action is made a fraudulent practice.

10 The bill extends the time for taxpayer filing of claims for  
11 the additional homestead property tax credit by four months  
12 for certain good cause shown to the county treasurer, extends  
13 the time for counties to file claims with the department for  
14 these credits allowed by nine months, gives the department an  
15 additional 26 days to reimburse counties for special  
16 assessment credits allowed on these homesteads, extends the  
17 time for filing mobile home reduced tax rate claims by four  
18 months for certain good cause shown to the county treasurer,  
19 and extends the time for counties to file claims with the  
20 department for mobile home reduced tax rate claims allowed by  
21 three and one-half months.

22 The bill excludes from the definition of "consideration"  
23 the amount of any debt on the property that is not assumed by  
24 the grantee for purposes of the real estate transfer tax.

25 The bill repeals a provision pertaining to an exemption  
26 from personal property tax for military personnel since the  
27 personal property became exempt from taxation in 1986.

28 The bill provides an effective and applicability date  
29 provision for the property tax credit claims changes made in  
30 the bill.

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Substituted for HF 2312  
4-17-96 (P. 1722)

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SENATE FILE 2455  
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SSB 2313)

(AS AMENDED AND PASSED BY THE SENATE APRIL 2, 1996)

- \_\_\_\_\_ - New Language by the Senate
- \* - Language Stricken by the Senate

Passed Senate, Date \_\_\_\_\_ Passed House, Date <sup>(P. 1722)</sup> 4/17/96  
 Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes 93 Nays 0  
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Neuhauser  
Connolly  
Freeman

SSB. 2313

Ways & Means

Succeeded By

SENATE FILE SF/HF 2455  
BY (PROPOSED COMMITTEE ON  
WAYS AND MEANS BILL BY  
CHAIRPERSON PALMER)

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

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By                      2

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S.F. \_\_\_\_\_ H.F. \_\_\_\_\_

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20 more during the fiscal year beginning in the calendar year in  
21 which the claim is filed. However, in case of sickness,  
22 absence, or other disability of the claimant, or if in the  
23 judgment of the county treasurer good cause exists, the county  
24 treasurer may extend the time for filing a claim for credit  
25 through September 30 of the same calendar year. The county  
26 treasurer shall ~~submit-the-claim~~ certify to the director of  
27 revenue and finance on or before ~~August-1~~ November 15 each  
28 year the total dollar amount due for claims allowed.

29 Sec. 8. Sections 1, 2, 3, 4, and 7 of this Act, being  
30 deemed of immediate importance, take effect upon enactment and  
31 apply retroactively to January 1, 1996. Sections 3, 4, and 7  
32 of this Act apply to claims filed on or after January 1, 1996.

33 EXPLANATION

34 The bill allows the director to establish criteria for  
35 allowing tax returns and other documents required for tax

1 administration to be filed by electronic means or other  
2 alternative methods rather than on a paper document. It  
3 further provides that the director may require that payments  
4 be made to the department by electronic funds transfer.

5 This bill allows the department to recover taxes refunded  
6 in error plus applicable interest. If the refund is false or  
7 frivolous, with the intent to evade tax, the department would  
8 have authority to assess a 75 percent penalty plus applicable  
9 interest. This action is made a fraudulent practice.

10 The bill extends the time for taxpayer filing of claims for  
11 the additional homestead property tax credit by four months  
12 for certain good cause shown to the county treasurer, extends  
13 the time for counties to file claims with the department for  
14 these credits allowed by nine months, gives the department an  
15 additional 26 days to reimburse counties for special  
16 assessment credits allowed on these homesteads, extends the  
17 time for filing mobile home reduced tax rate claims by four  
18 months for certain good cause shown to the county treasurer,  
19 and extends the time for counties to file claims with the  
20 department for mobile home reduced tax rate claims allowed by  
21 three and one-half months.

22 The bill excludes from the definition of "consideration"  
23 the amount of any debt on the property that is not assumed by  
24 the grantee for purposes of the real estate transfer tax.

25 The bill repeals a provision pertaining to an exemption  
26 from personal property tax for military personnel since the  
27 personal property became exempt from taxation in 1986.

28 The bill provides an effective and applicability date  
29 provision for the property tax credit claims changes made in  
30 the bill.

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33  
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SENATE FILE 2455

AN ACT

RELATING TO THE ADMINISTRATION OF TAXES; ELECTRONIC FILING OF TAX RETURNS AND PAYMENTS; IMPOSITION OF THE PENALTY FOR WILLFULLY FILING A FALSE CLAIM FOR REFUND; LOW INCOME, ELDERLY, AND DISABLED PROPERTY TAX CREDIT FILING AND CERTIFICATION DATES; COMPUTATION OF THE REAL ESTATE TRANSFER TAX; REPEAL OF OBSOLETE PROPERTY TAX PROVISION; AND PROVIDING EFFECTIVE AND RETROACTIVE APPLICABILITY DATES.

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

Section 1. Section 421.17, Code Supplement 1995, is amended by adding the following new subsection:

NEW SUBSECTION. 15. The director may establish criteria allowing for the use of electronic filing or the use of alternative filing methods of any return, deposit, or document required to be filed for taxes administered by the department. The director may also establish criteria allowing for payment of taxes, penalty, interest, and fees by electronic funds transfer or other alternative methods.

The director shall adopt rules setting forth procedures for use in electronic filing and electronic funds transfer or other alternative methods and standards that provide for acceptance of a signature in a form other than the handwriting of a person. The rules shall also take into consideration any undue hardship electronic filing or electronic funds transfer or other alternative methods create for filers.

Sec. 2. Section 421.27, Code 1995, is amended by adding the following new subsection:

NEW SUBSECTION. 5A. IMPROPER RECEIPT OF REFUND OR CREDIT. A person who makes an erroneous application for refund shall be liable for any overpayment received plus interest at the rate in effect under section 421.7. In addition, a person who

willfully makes a false or frivolous application for refund with intent to evade tax is guilty of a fraudulent practice and is liable for a penalty equal to seventy-five percent of the refund claimed. Repayments, penalties, and interest due under this subsection may be collected and enforced in the same manner as the tax imposed.

Sec. 3. Section 425.20, unnumbered paragraph 2, Code 1995, is amended to read as follows:

A claim for credit for property taxes due shall not be paid or allowed unless the claim is filed with the county treasurer between January 1 and June 1, both dates inclusive, immediately preceding the fiscal year during which the property taxes are due. However, in case of sickness, absence, or other disability of the claimant, or if in the judgment of the county treasurer good cause exists, the county treasurer may extend the time for filing a claim for credit through September 30 of the same calendar year. The county treasurer shall ~~submit the claim~~ certify to the director of revenue and finance on or before August May 1 of each year the total amount of dollars due for claims allowed.

Sec. 4. Section 425.23, subsection 3, paragraph a, Code 1995, is amended to read as follows:

a. A person who is eligible to file a claim for credit for property taxes due and who has a household income of six thousand dollars or less and who has an unpaid special assessment levied against the homestead may file a claim for a special assessment credit with the county treasurer ~~that the claimant had a household income of six thousand dollars or less and that an unpaid special assessment is presently levied against the homestead.~~ The department shall provide to the respective treasurers the forms necessary for the administration of this subsection. The claim shall be filed not later than September 30 of each year. Upon the filing of the claim, interest for late payment shall not accrue against the amount of the unpaid special assessment due and payable.

The claim filed by the claimant constitutes a claim for credit of an amount equal to the actual amount due upon the unpaid special assessment, plus interest, payable during the fiscal year for which the claim is filed against the homestead of the claimant. However, where the claimant is an individual described in section 425.17, subsection 2, paragraph "b", and the tentative credit is determined according to the schedule in section 425.23, subsection 1, paragraph "b", subparagraph (2), the claim filed constitutes a claim for credit of an amount equal to one-half of the actual amount due and payable during the fiscal year. ~~The department of revenue and finance shall, upon the filing of the claim with the department by the treasurer, pay that amount of the unpaid special assessment during the current fiscal year to the treasurer.~~ The treasurer shall ~~submit the claims~~ certify to the director of revenue and finance not later than October 15 of each year the total amount of dollars due for claims allowed. ~~The director of revenue and finance shall certify the amount of reimbursement due each county for unpaid special assessment credits allowed under this subsection.~~ The amount of reimbursement due each county shall be paid by the director of revenue and finance ~~on October 20~~ by November 15 of each year, drawn upon warrants payable to the respective treasurer. There is appropriated annually from the general fund of the state to the department of revenue and finance an amount sufficient to carry out the provisions of this subsection. The treasurer shall credit any moneys received from the department against the amount of the unpaid special assessment due and payable on the homestead of the claimant.

Sec. 5. Section 427.1, subsection 27, Code Supplement 1995, is amended by striking the subsection.

Sec. 6. Section 428A.1, unnumbered paragraph 1, Code 1995, is amended to read as follows:

There is imposed on each deed, instrument, or writing by which any lands, tenements, or other realty in this state are

granted, assigned, transferred, or otherwise conveyed, a tax determined in the following manner: When there is no consideration or when the deed instrument or writing is executed and tendered for recording as an instrument corrective of title, and so states, there is no tax. When there is consideration and the actual market value of the real property transferred is in excess of five hundred dollars, the tax is eighty cents for each five hundred dollars or fractional part of five hundred dollars in excess of five hundred dollars. The term "consideration", as used in this chapter, means the full amount of the actual sale price of the real property involved, paid or to be paid, including the amount of an encumbrance or lien on the property, whether if assumed or not by the grantee. It is presumed that the sale price so stated includes the value of all personal property transferred as part of the sale unless the dollar value of personal property is stated on the instrument of conveyance. When the dollar value of the personal property included in the sale is so stated, it shall be deducted from the consideration shown on the instrument for the purpose of determining the tax.

Sec. 7. Section 435.22, subsection 5, unnumbered paragraph 1, Code 1995, is amended to read as follows:

A claim for credit for mobile home tax due shall not be paid or allowed unless the claim is actually filed with the county treasurer between January 1 and June 1, both dates inclusive, immediately preceding the fiscal year during which the home taxes are due and, with the exception of a claim filed on behalf of a deceased claimant by the claimant's legal guardian, spouse, or attorney, or by the executor or administrator of the claimant's estate, contains an affidavit of the claimant's intent to occupy the home for six months or more during the fiscal year beginning in the calendar year in which the claim is filed. However, in case of sickness, absence, or other disability of the claimant, or if in the

judgment of the county treasurer good cause exists, the county treasurer may extend the time for filing a claim for credit through September 30 of the same calendar year. The county treasurer shall ~~submit the claim~~ certify to the director of revenue and finance on or before ~~August 1~~ November 15 each year the total dollar amount due for claims allowed.

Sec. 8. Sections 1, 2, 3, 4, and 7 of this Act, being deemed of immediate importance, take effect upon enactment and apply retroactively to January 1, 1996. Sections 3, 4, and 7 of this Act apply to claims filed on or after January 1, 1996.

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LEONARD L. BOSWELL  
President of the Senate

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RON J. CORBETT  
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2455, Seventy-sixth General Assembly.

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JOHN F. DWYER  
Secretary of the Senate

Approved 4/24, 1996

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TERRY E. BRANSTAD  
Governor

SF 2455