

JAN 22 1997
WAYS AND MEANS

HOUSE FILE
BY RANTS

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

A BILL FOR

1 An Act relating to the time and method of distribution of local
2 option sales and services tax receipts.

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

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HF 54

1 Section 1. Section 422B.10, subsection 2, Code 1997, is
2 amended to read as follows:

3 2. a. The director of revenue and finance within fifteen
4 days of the beginning of each fiscal year shall send to each
5 city or county where the local option tax is imposed, an
6 estimate of the amount of tax moneys each city or county will
7 receive for the year and for each quarter month of the year.
8 At the end of each quarter month, the director may revise the
9 estimates for the year and remaining quarters months.

10 b. The director of revenue and finance shall remit ninety
11 percent all of the estimate tax receipts actually collected
12 during a month for the city or county, including any interest
13 earned on the receipts and any penalties, to the city or
14 county ~~after-the-end-of-each-quarter~~ no later than the tenth
15 day of the following ~~dates:--November-10,--February-10,--May-10,~~
16 ~~and-August-10~~ month.

17 ~~c.--The-director-of-revenue-and-finance-shall-remit-a-final~~
18 ~~payment-of-the-remainder-of-tax-moneys-due-the-city-or-county~~
19 ~~for-the-fiscal-year-before-the-due-date-for-the-payment-of-the~~
20 ~~first-quarter-of-the-next-fiscal-year.--If-an-overpayment-has~~
21 ~~resulted-during-the-previous-fiscal-year,--the-first-payment-of~~
22 ~~the-new-fiscal-year-shall-be-adjusted-to-reflect-any~~
23 ~~overpayment.~~

24 EXPLANATION

25 Presently 90 percent of local option sales and services tax
26 receipts is distributed at the end of each quarter to cities
27 and counties. This bill requires all of the receipts actually
28 collected, along with interest earned and any penalties, to be
29 distributed monthly. In addition, present law requires the
30 director of revenue and finance to provide the cities and
31 counties with an estimate of the amounts to be received for
32 each quarter. The bill changes the estimate to be for each
33 month.

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