

APR 17 1997

Substituted for SF 537 4-29-97 (P.1553)

WAYS & MEANS CALENDAR

HOUSE FILE 729

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HSB 239)

Passed House, Date 4/24/97 (P.1529) Passed Senate, Date 4-29-97
Vote: Ayes 98 Nays 0 Vote: Ayes 47 Nays 0
Approved May 15, 1997

(P.1534)

A BILL FOR

1 An Act relating to reporting and depositing of local option sales
2 and services taxes to the department of revenue and finance by
3 retailers and increasing the amount of estimated distribution
4 and frequency of distribution to cities and counties by the
5 department of revenue and finance.

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

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HF 729

1 Section 1. Section 422B.9, Code 1997, is amended by adding
2 the following new unnumbered paragraph after unnumbered
3 paragraph 4:

4 NEW UNNUMBERED PARAGRAPH. Frequency of deposits and
5 quarterly reports of a local sales and services tax with the
6 department of revenue and finance are governed by the tax
7 provisions in section 422.52. Local tax collections shall not
8 be included in computation of the total tax to determine
9 frequency of filing under section 422.52.

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

12 2. a. The director of revenue and finance within fifteen
13 days of the beginning of each fiscal year shall send to each
14 city or county where the local option tax is imposed, an
15 estimate of the amount of tax moneys each city or county will
16 receive for the year and for each quarter month of the year.
17 At the end of each quarter month, the director may revise the
18 estimates for the year and remaining quarters months.

19 b. The director of revenue and finance shall remit ninety
20 ninety-five percent of the estimate tax receipts for the city
21 or county to the city or county ~~after-the-end-of-each-quarter~~
22 ~~no-later-than-the-following-dates:--November-10,--February-10,~~
23 May-10,--and-August-10 on or before August 31 of the fiscal
24 year and on or before the last day of each following month.

25 c. The director of revenue and finance shall remit a final
26 payment of the remainder of tax moneys due the city or county
27 for the fiscal year before ~~the-due-date-for-the-payment-of-the~~
28 first-quarter November 10 of the next fiscal year. If an
29 overpayment has resulted during the previous fiscal year, the
30 first payment of the new fiscal year shall be adjusted to
31 reflect any overpayment.

32 EXPLANATION

33 The bill amends Code section 422B.9 to provide that local
34 option sales and service taxes shall be remitted to the
35 department of revenue and finance in the same frequency as

1 required for retail sales taxes. Retailers are accustomed to
2 the manner and frequency required under the retail sales taxes
3 provisions. As a result, this amendment will provide
4 uniformity in the reporting and depositing of state sales
5 taxes and local sales and services taxes. Local tax
6 collection shall not be included in the computation of state
7 retail sales tax to determine frequency of remitting.
8 Instead, the computation of state sales tax should be used to
9 determine the frequency with which local taxes should be
10 remitted to the department.

11 The bill also amends Code section 422B.10 to increase the
12 amount of estimated local option sales and services tax
13 receipts remitted by the department of revenue and finance to
14 the counties and cities from 90 percent to 95 percent and also
15 provides that such remission shall be on a monthly, rather
16 than quarterly basis.

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Van Fossen
Lord
Larkin
Rants
Richardson

HSB 239

WAYS AND MEANS

Succeeded By

SF (HF) 729

HOUSE FILE

BY (PROPOSED COMMITTEE ON WAYS
AND MEANS BILL BY CHAIRPERSON
DINKLA)

Passed House, Date _____ Passed Senate, Date _____

Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____

Approved _____

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2 and services taxes to the department of revenue and finance by
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18 estimates for the year and remaining quarters months.

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20 ninety-five percent of the estimate tax receipts for the city
21 or county to the city or county ~~after-the-end-of-each-quarter~~
22 ~~no-later-than-the-following-dates:--November-107--February-107~~
23 ~~May-107--and-August-10~~ on or before August 31 of the fiscal
24 year and on or before the last day of each following month.

25 c. The director of revenue and finance shall remit a final
26 payment of the remainder of tax moneys due the city or county
27 for the fiscal year ~~before the due date for the payment of the~~
28 ~~first-quarter~~ November 10 of the next fiscal year. If an
29 overpayment has resulted during the previous fiscal year, the
30 first payment of the new fiscal year shall be adjusted to
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HOUSE FILE 729

AN ACT

RELATING TO REPORTING AND DEPOSITING OF LOCAL OPTION SALES AND SERVICES TAXES TO THE DEPARTMENT OF REVENUE AND FINANCE BY RETAILERS AND INCREASING THE AMOUNT OF ESTIMATED DISTRIBUTION AND FREQUENCY OF DISTRIBUTION TO CITIES AND COUNTIES BY THE DEPARTMENT OF REVENUE AND FINANCE.

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

Section 1. Section 422B.9, Code 1997, is amended by adding the following new unnumbered paragraph after unnumbered paragraph 4:

NEW UNNUMBERED PARAGRAPH. Frequency of deposits and quarterly reports of a local sales and services tax with the department of revenue and finance are governed by the tax provisions in section 422.52. Local tax collections shall not be included in computation of the total tax to determine frequency of filing under section 422.52.

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

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

b. The director of revenue and finance shall remit ninety ~~ninety-five~~ percent of the estimate tax receipts for the city or county to the city or county ~~after the end of each quarter no later than the following dates:--November-10, February-10, May-10 and August-10~~ on or before August 31 of the fiscal

year and on or before the last day of each following month.

c. The director of revenue and finance shall remit a final payment of the remainder of tax moneys due the city or county for the fiscal year before ~~the due date for the payment of the first quarter~~ November 10 of the next fiscal year. If an overpayment has resulted during the previous fiscal year, the first payment of the new fiscal year shall be adjusted to reflect any overpayment.

RON J. CORBETT
Speaker of the House

MARY E. KRAMER
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 729, Seventy-seventh General Assembly.

Approved May 15, 1997

ELIZABETH ISAACSON
Chief Clerk of the House

TERRY E. BRANSTAD
Governor