

FEB 9 1999
WAYS AND MEANS

HOUSE FILE
BY RANTS

236

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

A BILL FOR

1 An Act providing a credit to retailers for timely filing state
2 sales tax returns and depositing state sales tax collected.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 422.52, subsection 1, Code 1999, is
2 amended to read as follows:

3 1. a. The tax levied under this division less any credit
4 allowed under subsection 1A is due and payable in quarterly
5 installments on or before the last day of the month following
6 each quarterly period except as otherwise provided in this
7 subsection.

8 b. Every retailer who collects more than four thousand
9 dollars in retail sales tax in a semimonthly period shall
10 deposit with the department or in a depository authorized by
11 law and designated by the director, the amount collected or an
12 amount equal to not less than one-sixth of the tax collected
13 and paid to the department during the preceding quarter, with
14 a deposit form for the semimonthly period as prescribed by the
15 director. The first semimonthly deposit form is for the
16 period from the first of the month through the fifteenth of
17 the month and is due on or before the twenty-fifth day of the
18 month. The second semimonthly deposit form is for the period
19 from the sixteenth through the end of the month and is due on
20 or before the tenth day of the month following the month of
21 collection. A deposit is not required for the last
22 semimonthly period of the calendar quarter. The total
23 quarterly amount, less any credit allowed under subsection 1A
24 and less the amount deposited for the five previous
25 semimonthly periods, is due with the quarterly report on the
26 last day of the month following the month of collection.

27 c. A retailer who collects more than five hundred dollars
28 in retail sales taxes in one month and not more than four
29 thousand dollars in retail sales taxes in a semimonthly period
30 shall deposit with the department or in a depository
31 authorized by law and designated by the director, the amount
32 collected or an amount equal to not less than one-third of the
33 tax collected and paid to the department during the preceding
34 quarter, with a deposit form for the month as prescribed by
35 the director. The deposit form is due on or before the

1 twentieth day of the month following the month of collection,
2 except a deposit is not required for the third month of the
3 calendar quarter and the total quarterly amount, less any
4 credit allowed under subsection 1A and less the amounts
5 deposited for the first two months of the quarter, is due with
6 the quarterly report on the last day of the month following
7 the month of collection.

8 d. Every retailer who collects more than fifty dollars and
9 not more than five hundred dollars in retail sales tax in one
10 month shall deposit with the department or in a depository
11 authorized by law and designated by the director, the amount
12 collected, or an amount equal to not less than one-third of
13 the tax collected and paid to the department during the last
14 preceding quarter, with a deposit form for the month as
15 prescribed by the director. The deposit form is due on or
16 before the twentieth day of the month following the month of
17 collection, except a deposit is not required for the third
18 month of the calendar quarter and the total quarterly amount,
19 less any credit allowed under subsection 1A and less the
20 amounts deposited for the first two months of the quarter, is
21 due with the quarterly report on the last day of the month
22 following the month of collection.

23 e. The monthly remittance procedure is optional for any
24 sales tax permit holder whose average monthly collection of
25 tax amounts to more than twenty-five dollars and less than
26 fifty dollars. If the exact amounts of the taxes due or an
27 amount equal to not less than one-third or one-sixth, as
28 applicable, of the tax collected and paid to the department
29 during the last preceding quarter on the deposit form are not
30 ascertainable by the retailer, or would work undue hardship in
31 the computation of the taxes due by the retailer, the director
32 may provide by rules alternative procedures for estimating the
33 amounts (but not the dates) due by the retailers.

34 f. The forms prescribed by the director shall be referred
35 to as "retailers semimonthly tax deposit" or "retailers

1 monthly tax deposit". Deposit forms shall be signed by the
2 retailer or the retailer's duly authorized agent, and shall be
3 duly certified by the retailer or agent to be correct. The
4 director may authorize incorporated banks and trust companies
5 or other depositories authorized by law which are depositories
6 or financial agents of the United States, or of this state, to
7 receive any tax imposed under this chapter, in the manner, at
8 the times and under the conditions the director prescribes.
9 The director shall prescribe the manner, times, and conditions
10 under which the receipt of the tax by those depositories is to
11 be treated as payment of the tax to the department.

12 Sec. 2. Section 422.52, Code 1999, is amended by adding
13 the following new subsection:

14 NEW SUBSECTION. 1A. Each retailer who timely files the
15 return required in section 422.51 is entitled to a credit
16 equal to one percent of the amount of the state retail sales
17 tax collected during the period covered by the return.
18 However, if the retailer does not timely deposit the state
19 retail sales tax collected as required in subsection 1, the
20 one percent shall not be applied to the amount not timely
21 deposited in determining the amount of credit under this
22 subsection.

23 EXPLANATION

24 The bill allows each retailer that timely files the state
25 sales tax return a credit equal to one percent of the amount
26 of the state sales tax collected during the period covered by
27 the return. However, any sales tax collected which is not
28 timely deposited as required by law is not considered in the
29 computation of the credit.

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