

# House Study Bill 283

HOUSE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
WAYS AND MEANS BILL BY  
CHAIRPERSON VAN FOSSEN)

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

## A BILL FOR

1 An Act relating to original jurisdiction over actions seeking  
2 declaratory judgments on constitutional nexus issues for sales  
3 or use tax purposes.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
5 TLSB 2723HC 81  
6 mg/gg/14

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1 1 Section 1. NEW SECTION. 602.6703 DECLARATORY JUDGMENT TO  
1 2 ADJUDICATE CONSTITUTIONAL NEXUS ISSUES REGARDING TAXATION.  
1 3 1. District courts have original jurisdiction over civil  
1 4 actions seeking declaratory judgment when both of the  
1 5 following apply:  
1 6 a. The party seeking declaratory relief is a business that  
1 7 is any of the following:  
1 8 (1) Organized under the laws of this state.  
1 9 (2) A sole proprietorship owned by a domiciliary of this  
1 10 state.  
1 11 (3) Authorized to do business in this state.  
1 12 b. The responding party is a government official of  
1 13 another state, or political subdivision of another state, who  
1 14 asserts that the business in question is obliged to collect  
1 15 sales or use taxes for such state or political subdivision  
1 16 based upon conduct of the business that occurs wholly or  
1 17 partially within that state or political subdivision.  
1 18 2. A business meeting the requirements and facing the  
1 19 circumstances described in subsection 1 shall be entitled to  
1 20 declaratory relief on the issue of whether the requirement of  
1 21 another state, or political subdivision of another state, that  
1 22 the business collect and remit sales or use taxes to that  
1 23 state, or political subdivision, in the factual circumstances  
1 24 of the business' operations giving rise to the demand,  
1 25 constitutes an undue burden on interstate commerce within the  
1 26 meaning of the Constitution of the United States.

### EXPLANATION

1 27  
1 28 This bill grants original jurisdiction to Iowa district  
1 29 courts over civil actions seeking declaratory relief that a  
1 30 business which is organized in the state, is a sole  
1 31 proprietorship owned by a domiciliary of the state, or is  
1 32 authorized to do business in this state is unconstitutionally  
1 33 burdened by the requirement of another state to collect sales  
1 34 or use taxes for that state or a political subdivision of that  
1 35 state.

2 1 LSB 2723HC 81  
2 2 mg:rj/gg/14