

House Study Bill 298

SENATE/HOUSE FILE _____
BY (PROPOSED GOVERNOR'S BILL)

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

A BILL FOR

1 An Act relating to a tax amnesty program, making appropriations,
2 and including an effective date provision.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
4 TLSB 1311XL 82
5 mg/es/88

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1 1 Section 1. TITLE. This Act may be cited as the "Iowa Tax
1 2 Amnesty Act of 2007".
1 3 Sec. 2. DEFINITIONS. When used in this Act, unless the
1 4 context otherwise requires:
1 5 1. "Department" means the department of revenue.
1 6 2. "Director" means the director of revenue.
1 7 3. "Taxpayer" means a person, a corporation, or other
1 8 entity subject to any tax imposed by a law of this state,
1 9 payable to this state, and administered by the department
1 10 pursuant to chapters 422, 423, 423A, 423B, 423C, 423D, 423E,
1 11 424, 450, 450A, 450B, 451, 452A, 453A, and 453B.
1 12 Sec. 3. TAX AMNESTY PROGRAM.
1 13 1. The director shall establish a tax amnesty program.
1 14 The tax amnesty program shall apply to taxpayers that have tax
1 15 liabilities delinquent as of December 31, 2006, including tax
1 16 due on returns not filed, tax liabilities owed to the
1 17 department as of December 31, 2006, or tax liabilities not
1 18 reported nor established but delinquent as of December 31,
1 19 2006.
1 20 2. The tax amnesty program shall be for a period from
1 21 September 4, 2007, through October 31, 2007, for any tax
1 22 liabilities described in subsection 1.
1 23 3. The tax amnesty program shall provide that upon written
1 24 application by a taxpayer and payment in full by the taxpayer
1 25 of amounts due from the taxpayer to this state for a tax
1 26 covered by the tax amnesty program plus interest equal to
1 27 fifty percent of the interest that is due, the department
1 28 shall not seek to collect any other interest or penalties
1 29 which may be applicable. The department shall not seek civil
1 30 or criminal prosecution for a taxpayer for the period of time
1 31 for which amnesty has been granted to the taxpayer. Failure
1 32 to pay all tax liabilities due the state and delinquent as of
1 33 December 31, 2006, shall invalidate the amnesty. Amnesty
1 34 shall be granted for only the periods specified in the
1 35 application and only if all amnesty conditions are satisfied
2 1 by the taxpayer.
2 2 4. A taxpayer who participates in the tax amnesty program
2 3 shall relinquish all administrative and judicial rights to
2 4 challenge the imposition of the tax and its amount, except for
2 5 adjustments made pursuant to a federal audit completed after
2 6 the effective date of this Act.
2 7 5. Amnesty shall not be granted to a taxpayer who is the
2 8 subject of an active criminal investigation or who is a party
2 9 to a criminal proceeding that is pending in a district court,
2 10 the court of appeals, or the supreme court of this state if
2 11 such investigation or proceeding involves nonpayment or fraud
2 12 in relation to any state tax imposed by a law of this state.
2 13 6. The director shall prepare and make available tax
2 14 amnesty application forms which contain requirements for
2 15 approval of an application. The director may deny any
2 16 application that is inconsistent with this Act.
2 17 Sec. 4. RULEMAKING. The provisions of this Act are exempt
2 18 from the rulemaking process of chapter 17A, the Iowa
2 19 administrative procedure Act.
2 20 Sec. 5. APPROPRIATION.

2 21 1. There is appropriated from the general fund of the
2 22 state to the department of revenue for the fiscal period
2 23 beginning July 1, 2006, and ending June 30, 2008, the sum of
2 24 \$710,000, or so much thereof as necessary, to be used to
2 25 administer this Act.

2 26 2. There is appropriated to the department of revenue for
2 27 the fiscal year beginning July 1, 2007, and ending June 30,
2 28 2008, the sum of \$150,000 for the purpose of increasing the
2 29 auditing and enforcement activities of the department.

2 30 Sec. 6. REPORTING. The department shall report the gross
2 31 revenue collected under each tax pursuant to the tax amnesty
2 32 program as soon as practicable after the close of the amnesty
2 33 period but prior to March 1, 2008.

2 34 Sec. 7. LEGISLATIVE INTENT. It is the intent of the
2 35 general assembly in enacting the Iowa tax amnesty Act of 2007
3 1 that the general assembly and the state shall not conduct
3 2 another tax amnesty program prior to January 1, 2025.

3 3 Sec. 8. EFFECTIVE DATE. This Act, being deemed of
3 4 immediate importance, takes effect upon enactment.

3 5 EXPLANATION

3 6 This bill provides for a state tax amnesty program to be
3 7 administered by the department of revenue from September 4,
3 8 2007, through October 31, 2007. The program covers tax
3 9 liabilities delinquent as of December 31, 2006, and authorizes
3 10 a taxpayer, during the period of the tax amnesty program, to
3 11 pay this tax with one-half of the interest which would
3 12 ordinarily be due without being subject to further penalty or
3 13 civil and criminal prosecution. The taxpayer must agree to
3 14 relinquish all administrative and judicial rights to challenge
3 15 the imposition of the tax and its amount.

3 16 The taxes that are covered under the tax amnesty program
3 17 are the individual and corporate income taxes; franchise tax;
3 18 sales and use taxes; hotel and motel tax; local city, county,
3 19 and school district sales and services taxes; automobile
3 20 rental tax; equipment tax; petroleum diminution charge;
3 21 inheritance and estate taxes; motor fuel and special fuel
3 22 taxes; cigarette and tobacco taxes; and controlled substance
3 23 tax.

3 24 The bill provides an appropriation of \$710,000 for the
3 25 fiscal year period beginning July 1, 2006, and ending June 30,
3 26 2008, for the department to administer the tax amnesty
3 27 program. The bill also provides an appropriation of \$150,000
3 28 for FY 2007-2008 for increased auditing and enforcement
3 29 activities following the end of the tax amnesty program.

3 30 The bill takes effect upon enactment.

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3 32 mg:sc/es/88