

House Study Bill 306

HOUSE FILE _____
BY (PROPOSED COMMITTEE ON
WAYS AND MEANS BILL BY
CHAIRPERSON SHOMSHOR)

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

A BILL FOR

1 An Act relating to the streamlined sales and use tax agreement
2 and administration of the tax and related laws by the
3 department of revenue, including administration of sales and
4 use taxes, and providing an effective date.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
6 TLSB 2894HC 82
7 mg/gg/14

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1 1 Section 1. Section 423.1, subsection 52, Code 2007, is
1 2 amended to read as follows:
1 3 52. "State" means any state of the United States, ~~and~~ the
1 4 District of Columbia, and Puerto Rico.
1 5 Sec. 2. Section 423.16, subsection 3, Code 2007, is
1 6 amended by striking the subsection.
1 7 Sec. 3. Section 423.33, subsection 1, Code 2007, is
1 8 amended to read as follows:
1 9 1. LIABILITY OF PURCHASER FOR SALES TAX. If a purchaser
1 10 fails to pay sales tax to the retailer required to collect the
1 11 tax, then in addition to all of the rights, obligations, and
1 12 remedies provided, the tax is payable by the purchaser
1 13 directly to the department, and sections 423.31, 423.32,
1 14 423.37, 423.38, 423.39, 423.40, 423.41, and 423.42 apply to
1 15 the purchaser. For failure to pay, the retailer and purchaser
1 16 are liable, unless the circumstances described in section
1 17 421.60, subsection 2, paragraph "m", section 423.34A, or
1 18 section 423.45, subsection 4, paragraph "b" or "e", or
1 19 subsection 5, paragraph "c" or "e", are applicable.
1 20 Sec. 4. NEW SECTION. 423.34A EXCLUSION FROM LIABILITY
1 21 FOR PURCHASERS.
1 22 A purchaser is relieved of liability for payment of state
1 23 sales or use tax, for payment of any local option sales tax,
1 24 for payment of interest, or for payment of any penalty for
1 25 nonpayment of tax which nonpayment is not fraudulent, willful,
1 26 or intentional, under the following circumstances:
1 27 1. The purchaser, the purchaser's seller or certified
1 28 service provider, or the purchaser holding a direct pay permit
1 29 relied on erroneous data contained in this state's taxability
1 30 matrix completed pursuant to the agreement.
1 31 2. The purchaser, the purchaser's seller or certified
1 32 service provider, or the purchaser holding a direct pay permit
1 33 relied on erroneous data provided by the state with regard to
1 34 tax rates, boundaries, or taxing jurisdiction assignments.
1 35 3. The purchaser used a database described in section
2 1 423.52, subsection 1, or section 423.55 and relied on
2 2 erroneous data about tax rates, boundaries, or taxing
2 3 jurisdiction assignments contained in that database.
2 4 Sec. 5. Section 423.57, Code 2007, is amended to read as
2 5 follows:
2 6 423.57 STATUTES APPLICABLE.
2 7 The director shall administer this subchapter as it relates
2 8 to the taxes imposed in this chapter in the same manner and
2 9 subject to all the provisions of, and all of the powers,
2 10 duties, authority, and restrictions contained in sections
2 11 423.14, 423.15, 423.16, 423.17, ~~423.18~~, 423.19, 423.20,
2 12 423.21, 423.22, 423.23, 423.24, 423.25, 423.28, 423.29,
2 13 423.31, 423.32, 423.33, 423.34, 423.35, 423.37, 423.38,
2 14 423.39, 423.40, 423.41, and 423.42, section 423.43, subsection
2 15 3, and sections 423.45, 423.46, and 423.47.
2 16 Sec. 6. Section 423.57, Code 2007, as amended by this Act,

2 17 is amended to read as follows:
2 18 423.57 STATUTES APPLICABLE.
2 19 The director shall administer this subchapter as it relates
2 20 to the taxes imposed in this chapter in the same manner and
2 21 subject to all the provisions of, and all of the powers,
2 22 duties, authority, and restrictions contained in sections
2 23 423.14, 423.15, 423.16, 423.17, 423.19, 423.20, 423.21,
2 24 423.22, 423.23, 423.24, 423.25, 423.28, 423.29, 423.31,
2 25 423.32, 423.33, 423.34, ~~423.34A~~, 423.35, 423.37, 423.38,
2 26 423.39, 423.40, 423.41, and 423.42, section 423.43, subsection
2 27 3, and sections 423.45, 423.46, and 423.47.
2 28 Sec. 7. Section 423.51, subsection 2, paragraph d, as
2 29 enacted by 2006 Iowa Acts, chapter 1158, section 77, is
2 30 amended by striking the paragraph.
2 31 Sec. 8. 2006 Iowa Acts, chapter 1158, section 71, is
2 32 repealed.
2 33 Sec. 9. Section 423.18, Code 2007, is repealed.
2 34 Sec. 10. EFFECTIVE DATE. The sections of this Act
2 35 amending section 423.33 and section 423.57, as amended by this
3 1 Act, and enacting section 423.34A take effect on January 1,
3 2 2009.

3 3 EXPLANATION

3 4 Code section 423.1, subsection 52, is amended to add Puerto
3 5 Rico as a state that is included in the streamlined sales and
3 6 use tax agreement.
3 7 New Code section 423.34A is enacted to specify under what
3 8 circumstances a purchaser is relieved of liability for tax,
3 9 penalty, and interest. The purchaser is so relieved if the
3 10 state provides erroneous data in the taxability matrix or in
3 11 tax rate, boundary, or taxing jurisdiction databases. This
3 12 relief is the same relief provided to sellers or certified
3 13 service providers. Code sections 423.33 and 423.57 are
3 14 amended to include a reference to this new Code section.
3 15 These three provisions take effect January 1, 2009.
3 16 Code section 423.18 is repealed. This Code section relates
3 17 to multiple points of use exemption forms which have been
3 18 deleted from the streamlined sales and use tax agreement. The
3 19 amendment to this Code section in 2006 Iowa Acts, chapter
3 20 1158, section 71, is also repealed. References to Code
3 21 section 423.18 in Code sections 423.16, 423.57, and 423.51,
3 22 subsection 2, paragraph "d", as enacted by 2006 Iowa Acts,
3 23 chapter 1158, section 77, are stricken.
3 24 LSB 2894HC 82
3 25 mg:rj/gg/14