

Senate File 307 - Introduced

SENATE FILE _____
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SF 83)

(COMPANION TO HF 39 BY
VAN FOSSEN)

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

A BILL FOR

1 An Act allocating franchise tax revenues to local jurisdictions.
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
3 TLSB 1749SV 82
4 mg/es/88

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1 1 Section 1. Section 331.427, subsection 1, unnumbered
1 2 paragraph 1, Code 2007, is amended to read as follows:
1 3 Except as otherwise provided by state law, county revenues
1 4 from taxes and other sources for general county services shall
1 5 be credited to the general fund of the county, including
1 6 revenues received under sections 9I.11, 101A.3, 101A.7,
1 7 123.36, 123.143, 142B.6, 176A.8, 321.105, 321.152, 321G.7,
1 8 321I.8, section 331.554, subsection 6, sections 341A.20,
1 9 364.3, 368.21, ~~422.65~~, 423A.7, 428A.8, 430A.3, 433.15, 434.19,
1 10 445.57, 453A.35, 458A.21, 483A.12, 533.24, 556B.1, 583.6,
1 11 602.8108, 904.908, and 906.17, and the following:
1 12 Sec. 2. NEW SECTION. 422.65 ALLOCATION OF REVENUE.
1 13 All moneys received from the franchise tax shall be
1 14 deposited in the general fund of the state. Commencing with
1 15 the fiscal year beginning July 1, 2007, there is appropriated
1 16 for each fiscal year from the franchise tax moneys received
1 17 and deposited in the general fund of the state the sum of
1 18 eight million eight hundred thousand dollars which shall be
1 19 paid quarterly on warrants by the director, after
1 20 certification by the director, as follows:
1 21 1. Sixty percent to the general fund of the city from
1 22 which the tax is collected.
1 23 2. Forty percent to the county from which the tax is
1 24 collected.
1 25 If the financial institution maintains one or more offices
1 26 for the transaction of business, other than its principal
1 27 office, a portion of its franchise tax shall be allocated to
1 28 each office, based upon a reasonable measure of the business
1 29 activity of each office. The director shall prescribe, for
1 30 each type of financial institution, a method of measuring the
1 31 business activity of each office. Financial institutions
1 32 shall furnish all necessary information for this purpose at
1 33 the request of the director.
1 34 Quarterly, the director shall certify to the treasurer of
1 35 state the amounts to be paid to each city and county from the
2 1 general fund of the state. All moneys received from the
2 2 franchise tax are appropriated according to the provisions of
2 3 this section.

EXPLANATION

2 4 This bill reenacts the annual appropriation of \$8.8 million
2 5 of state franchise tax revenues and its allocation to cities
2 6 and counties. This annual appropriation and allocation were
2 7 repealed in 2003 Iowa Acts, chapter 178, section 11. The
2 8 annual appropriation and allocation will commence with the
2 9 fiscal year beginning July 1, 2007.
2 10 LSB 1749SV 82
2 11 mg:rj/es/88