

House File 142 - Introduced

HOUSE FILE 142

BY JONES

A BILL FOR

1 An Act relating to sales and use tax refunds.

2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 423.45, subsection 3, Code 2021, is
2 amended to read as follows:

3 3. In the circumstances described in subsections 1 and 2,
4 a retailer ~~has the option to either~~ shall return any excess
5 amount of tax paid to a consumer or user, ~~or to remit the~~
6 ~~amount which a consumer or user has paid to the retailer to the~~
7 ~~department.~~

8 EXPLANATION

9 The inclusion of this explanation does not constitute agreement with
10 the explanation's substance by the members of the general assembly.

11 This bill relates to sales and use tax refunds. Currently,
12 if the amount of tax collected by a retailer is incorrect, and
13 the incorrect amount is paid by the consumer to the retailer,
14 the retailer has two options to refund any excess tax amount.
15 First, the retailer may refund the excess tax amount to the
16 consumer. Second, the retailer may remit the excess tax amount
17 paid by the consumer to the department of revenue, and the
18 consumer may file a claim for a refund or credit with the
19 department of revenue under Code section 423.47.

20 The bill strikes the option of the retailer to remit the
21 excess tax amount paid by the consumer to the department of
22 revenue, which requires the consumer to file a claim for a
23 refund or credit with the department of revenue. The bill
24 requires the retailer to refund any excess tax amount paid by
25 the consumer to the consumer.