

Senate File 2371 - Introduced

SENATE FILE 2371
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SSB 3147)

A BILL FOR

1 An Act relating to state and local finances and the duties and
2 procedures of the department of revenue by providing for
3 electronic filing, communications, and records, modifying
4 transfer tax remittances, the assessment of property, the
5 collection of debt, the refunds of certain fuel taxes, and
6 the taxation of pass-through entities, reducing inheritance
7 taxes for unknown heirs, establishing salaries, providing
8 for a fee, making appropriations, and providing penalties,
9 and including effective date, applicability, and retroactive
10 applicability provisions.

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

1 DIVISION I

2 RECORD RETENTION

3 Section 1. Section 422.68, subsections 3 and 4, Code 2022,
4 are amended to read as follows:

5 a. The director may shall destroy useless records and
6 ~~returns, reports, and communications~~ records of any taxpayer
7 filed with or kept by the department ~~after those returns,~~
8 ~~records, reports, or communications have been in the custody~~
9 ~~of the department for a period of not less than three years or~~
10 ~~such time as the director prescribes by rule. However, after~~
11 ~~the accounts of a person have been examined by the director and~~
12 ~~the amount of tax and penalty due have been finally determined,~~
13 ~~the director may order the destruction of any records~~
14 ~~previously filed by that taxpayer, notwithstanding the fact~~
15 ~~that those records have been in the custody of the department~~
16 ~~for a period less than three years. These records and~~
17 ~~documents shall be destroyed in the manner prescribed by the~~
18 ~~director by the end of the calendar year following the year in~~
19 ~~which the record is determined by the department to be useless.~~

20 b. (1) A taxpayer or the department may request that a
21 specific record be retained beyond the useful life of the
22 record.

23 (2) The director shall have the discretion to approve or
24 deny a request made pursuant to subparagraph (1).

25 c. Notwithstanding paragraph "a", the department may retain
26 any of the following:

27 (1) A record that no longer contains personally
28 identifiable information of a specific taxpayer.

29 (2) A record described in section 17A.3, subsection 1,
30 paragraph "d" or "e".

31 d. The department shall adopt rules pursuant to chapter 17A
32 to administer this subsection.

33 4. The department may make photostat, microfilm,
34 electronic, or other electronic or photographic copies of
35 records, reports, and other papers either filed by the taxpayer

1 or prepared by the department, or make such copies by other
2 methods. In addition, the department may create and or use
3 any system of recordkeeping reasonably calculated to preserve
4 its records for any time period required by law. When ~~these~~
5 ~~photostat, electronic, microfilm, or other copies have been a~~
6 copy is made, the department may destroy the original ~~records~~
7 record which are the served as the basis for the copies copy
8 in any manner prescribed by the director. ~~These photostat,~~
9 ~~electronic, microfilm, or other types of copies, when no longer~~
10 ~~of use, may be destroyed~~ A copy shall be subject to destruction
11 as provided in **subsection 3.** These photostat, microfilm,
12 ~~electronic, or other records~~ A copy shall be admissible in
13 evidence when duly certified and authenticated by the officer
14 having custody and control of ~~them~~ the record.

15 Sec. 2. EFFECTIVE DATE. This division of this Act takes
16 effect January 1, 2025.

17 DIVISION II

18 ELECTRONIC FILING — FIDUCIARIES — BUSINESS ENTITIES

19 Sec. 3. Section 422.14, subsection 1, Code 2022, is amended
20 to read as follows:

21 1. a. A fiduciary subject to taxation under this
22 subchapter, as provided in **section 422.6**, shall make a return,
23 signed in accordance with forms and rules prescribed by the
24 director, for the individual, estate, or trust for whom or for
25 which the fiduciary acts, if the taxable income thereof amounts
26 to six hundred dollars or more. A nonresident fiduciary shall
27 file a copy of the federal income tax return for the current
28 tax year with the return required by **this section.**

29 b. (1) A fiduciary required to file a return under
30 paragraph "a", shall file the return in an electronic format as
31 specified by the department in a tax year in which any of the
32 following circumstances apply:

33 (a) The individual, estate, or trust for whom or which the
34 fiduciary acts has two hundred fifty thousand dollars or more
35 in gross receipts, as defined by rule by the department.

1 (b) The fiduciary is required to provide ten or more
2 schedules K-1 to the beneficiaries.

3 (c) The fiduciary reports twenty-five thousand dollars or
4 more of Iowa tax credits on the return.

5 (2) This paragraph "b" applies to any form or schedule
6 supporting a return required to be electronically filed or
7 any amended return if the amended return meets any of the
8 circumstances requiring electronic filing in this paragraph.

9 c. (1) Notwithstanding paragraph "b", the department may
10 provide an exception to the electronic filing requirement.

11 (2) A return subject to the electronic filing requirement in
12 paragraph "b" that is filed in a manner other than an electronic
13 format specified by the department shall not be considered
14 a valid return unless the department provides an exception
15 pursuant to this paragraph.

16 d. The department shall adopt rules to implement this
17 subsection.

18 Sec. 4. Section 422.15, subsection 2, Code 2022, is amended
19 to read as follows:

20 2. a. Every partnership, including limited partnerships,
21 doing business in this state, or deriving income from sources
22 within this state as defined in section 422.32, subsection 1,
23 paragraph "g", shall make a return, stating specifically the
24 net income and capital gains or losses reported on the federal
25 partnership return, the names and addresses of the partners,
26 and their respective shares in said amounts.

27 b. (1) A partnership required to file a return under
28 paragraph "a", shall file the return in an electronic format
29 specified by the department in a tax year in which any of the
30 following circumstances apply:

31 (a) The partnership has two hundred fifty thousand dollars
32 or more in total gross receipts, as defined by rule by the
33 department.

34 (b) The partnership is required to provide ten or more Iowa
35 schedules K-1 to the partners.

1 (c) The partnership reports twenty-five thousand dollars or
2 more of Iowa tax credits on the return.

3 (2) This paragraph "b" applies to any form or schedule
4 supporting a return required to be electronically filed or
5 any amended return if the amended return meets any of the
6 circumstances requiring electronic filing in this paragraph.

7 c. (1) Notwithstanding paragraph "b", the department may
8 provide an exception to the electronic filing requirement.

9 (2) A return subject to the electronic filing requirement in
10 paragraph "b" that is filed in a manner other than an electronic
11 format specified by the department shall not be considered
12 a valid return unless the department provides an exception
13 pursuant to this paragraph.

14 d. The department shall adopt rules to implement this
15 subsection.

16 Sec. 5. Section 422.16B, subsection 8, Code 2022, is amended
17 to read as follows:

18 8. a. For the efficient administration of **this chapter**, the
19 director may require or provide for the composite return on the
20 same form as or combined with a pass-through entity's annual
21 return required under **section 422.14, 422.15, or 422.36**, but in
22 such case the composite return shall be considered a separate
23 return for purposes of **this chapter** and **section 421.27**.

24 b. (1) If a pass-through entity is required to file its
25 annual return under **section 422.14, 422.15, or 422.36** in an
26 electronic format, the pass-through entity shall file its
27 composite return for the same taxable year in an electronic
28 format specified by the department.

29 (2) This paragraph applies to any form or schedule
30 supporting a return required to be electronically filed or
31 any amended return if the amended return meets any of the
32 circumstances requiring electronic filing in this paragraph.

33 c. A return subject to the electronic filing requirement in
34 paragraph "b" that is filed in a manner other than an electronic
35 format specified by the department shall not be considered a

1 valid return.

2 d. The department shall adopt rules to implement this
3 subsection.

4 Sec. 6. Section 422.36, Code 2022, is amended by adding the
5 following new subsection:

6 NEW SUBSECTION. 8. a. A corporation shall file a return
7 required under this section in an electronic format specified
8 by the department for any tax year if any of the following
9 circumstances apply:

10 (1) The corporation has gross receipts of two hundred fifty
11 thousand dollars or more, as defined by rule by the department.

12 (2) The corporation reports twenty-five thousand dollars or
13 more of Iowa tax credits on the return.

14 b. A corporation described in subsection 5 shall file all
15 returns required under this section in an electronic format
16 specified by the department for any tax year if any of the
17 following circumstances apply:

18 (1) The corporation has gross receipts of two hundred fifty
19 thousand dollars or more, as defined by rule by the department.

20 (2) The corporation is required to provide ten or more Iowa
21 schedules K-1 to shareholders.

22 (3) The corporation reports twenty-five thousand dollars or
23 more of Iowa tax credits on the return.

24 c. This subsection applies to any form or schedule
25 supporting a return required to be electronically filed or
26 any amended return if the amended return meets any of the
27 circumstances requiring electronic filing in this subsection.

28 d. (1) Notwithstanding paragraphs "a" and "b", the
29 department may provide an exception to the requirement to file
30 a return in an electronic format.

31 (2) A return subject to the electronic filing requirement
32 in this subsection that is filed in a manner other than in an
33 electronic format specified by the department shall not be
34 considered a valid return unless the department provides an
35 exception pursuant to this paragraph.

1 e. The department shall adopt rules to implement this
2 subsection.

3 Sec. 7. Section 422.37, Code 2022, is amended by adding the
4 following new subsection:

5 NEW SUBSECTION. 8. a. (1) The affiliated group shall
6 file a return under this section for each taxable year in an
7 electronic format specified by the department, regardless of
8 the total gross receipts of or amount of credits reported by
9 the affiliated group.

10 (2) For purposes of the electronic filing requirement, a
11 return of an affiliated group includes any form or schedule
12 supporting the return or any amended return of the affiliated
13 group.

14 (3) The financial institution is a corporation subject
15 to the electronic filing requirement under section 422.36,
16 subsection 8, paragraph "b".

17 b. (1) Notwithstanding paragraph "a", the department may
18 provide an exception to file a return in an electronic format.

19 (2) A return subject to the electronic filing requirement
20 in paragraph "a" that is filed in a manner other than in an
21 electronic format specified by the department shall not be
22 considered a valid return unless the department provides an
23 exception pursuant to this paragraph.

24 c. The department shall adopt rules to implement this
25 subsection.

26 Sec. 8. Section 422.62, Code 2022, is amended to read as
27 follows:

28 **422.62 Due and delinquent dates.**

29 1. The franchise tax is due and payable on the first
30 day following the end of the taxable year of each financial
31 institution, and is delinquent after the last day of the fourth
32 month following the due date or forty-five days after the due
33 date of the federal tax return, excluding extensions of time
34 to file, whichever is the later. Every financial institution
35 shall file a return as prescribed by the director on or before

1 the delinquency date.

2 2. a. (1) A financial institution shall file a return
3 required under this section in an electronic format specified
4 by the department for any tax year if any of the following
5 circumstances apply:

6 (a) The financial institution has two hundred fifty
7 thousand dollars or more in gross receipts, as defined by rule
8 by the department.

9 (b) The financial institution reports twenty-five thousand
10 dollars or more of Iowa tax credits on the return.

11 (c) The financial institution is a corporation subject
12 to the electronic filing requirement under section 422.36,
13 subsection 8, paragraph "b".

14 (2) This paragraph "a" applies to any form or schedule
15 supporting a return required to be electronically filed or
16 any amended return if the amended return meets any of the
17 circumstances requiring electronic filing in this paragraph.

18 b. (1) Notwithstanding paragraph "a", the department may
19 provide an exception to the requirement to file a return in an
20 electronic format.

21 (2) A return subject to the electronic filing requirement
22 in paragraph "a" that is filed in a manner other than in an
23 electronic format specified by the department shall not be
24 considered a valid return unless the department provides an
25 exception pursuant to this paragraph.

26 c. The department shall adopt rules to implement this
27 subsection.

28 **Sec. 9. APPLICABILITY.**

29 1. Except as provided in subsection 2, this division of this
30 Act applies to tax years ending on or after December 31, 2022,
31 or for tax years ending on or after December 31 of the calendar
32 year in which the department implements a system for receiving
33 the electronic returns required by this division of this Act,
34 whichever is later.

35 2. The section of this division of this Act amending section

1 422.14, subsection 1, applies to tax years ending on or after
2 December 31, 2023, or for tax years ending on or after December
3 31 of the calendar year in which the department implements a
4 system for receiving the electronic fiduciary returns required
5 by this division of this Act, whichever is later.

6 3. The department of revenue shall notify the Code editor by
7 December 1 of the calendar year the department has implemented
8 a system for receiving the electronic returns or electronic
9 fiduciary returns required by this division of this Act.

DIVISION III

ELECTRONIC FILING — CREDIT UNIONS

12 Sec. 10. Section 533.329, subsection 3, Code 2022, is
13 amended to read as follows:

14 3. a. Returns shall be in the form the director of
15 revenue prescribes, and shall be filed with the department of
16 revenue on or before the last day of the fourth month after
17 the expiration of the tax year. The moneys and credits tax is
18 due and payable on the last day of the fourth month after the
19 expiration of the tax year.

20 b. A credit union shall file a return required under this
21 section in an electronic format specified by the department for
22 each tax year.

23 c. (1) Notwithstanding paragraph "b", the department may
24 provide an exception to file a return in an electronic format.

25 (2) A return subject to the electronic filing requirement
26 in paragraph "b" that is filed in a manner other than in an
27 electronic format specified by the department shall not be
28 considered a valid return unless the department provides an
29 exception pursuant to this paragraph.

30 d. The department shall adopt rules to implement this
31 subsection.

32 Sec. 11. APPLICABILITY.

33 1. This division of this Act applies to tax years ending
34 on or after December 31, 2024, or for tax years ending on or
35 after December 31 of the calendar year in which the department

1 implements a system for receiving the electronic returns
2 required by this division of this Act, whichever is later.

3 2. The department of revenue shall notify the Code editor by
4 December 1 of the calendar year the department has implemented
5 a system for receiving electronic returns required by this
6 division of this Act.

DIVISION IV

AUTHORITY TO CHARGE FEES

9 Sec. 12. Section 421.17, Code 2022, is amended by adding the
10 following new subsection:

11 NEW SUBSECTION. 37. To establish a fee, by rule, and charge
12 a person for a copy of a return. The fee shall be retained by
13 the department of revenue.

14 Sec. 13. LEGISLATIVE INTENT. This division of this Act
15 shall not be construed to prohibit the department of revenue
16 from charging a fee for a copy of a return prior to the
17 enactment of this division of this Act pursuant to another
18 authority of the department.

19 It is the intent of the general assembly that this division
20 of this Act is a conforming amendment consistent with current
21 state law, and the amendment does not change the application of
22 the current law but instead reflects current law both before
23 and after enactment of this division of this Act.

DIVISION V

AUTHORITY TO ACT ON BEHALF OF TAXPAYER

26 Sec. 14. Section 421.59, subsection 2, unnumbered paragraph
27 1, Code 2022, is amended to read as follows:

28 Unless otherwise prohibited by law, the department may
29 authorize the following persons to act and receive information
30 on behalf of and exercise all of the rights of a taxpayer,
31 regardless of whether a power of attorney has been filed
32 pursuant to subsection 1:

33 Sec. 15. Section 421.59, subsection 2, paragraph d, Code
34 2022, is amended by striking the paragraph and inserting in
35 lieu thereof the following:

1 d. An individual holding the following title or position
2 within a corporation, association, partnership, or other
3 business entity:

4 (1) An officer or employee of the corporation or association
5 who is authorized to act on behalf of the corporation or
6 association in tax matters.

7 (2) A designated partner or employee of the partnership
8 who is authorized to act on behalf of the partnership in tax
9 matters.

10 (3) A person authorized to act on behalf of the limited
11 liability company in tax matters pursuant to a valid statement
12 of authority or employee of the company who is authorized to
13 act on behalf of the company in tax matters.

14 Sec. 16. Section 421.59, subsection 2, Code 2022, is amended
15 by adding the following new paragraphs:

16 NEW PARAGRAPH. i. A trustee.

17 (1) Upon request a trustee shall submit a certification of
18 trust, or in the absence of a certification of trust a copy of
19 the court order appointing the trustee if one has been issued,
20 or a copy of the trust.

21 (2) The department has standing to petition the court that
22 appointed the trustee to verify the appointment or to determine
23 the scope of the appointment.

24 NEW PARAGRAPH. j. A person named as an agent in a general
25 or durable power of attorney document that is currently
26 in force and such document has not been prescribed by the
27 department of revenue.

28 NEW PARAGRAPH. k. A successor as defined in section
29 633.356, subsection 2, of a very small estate.

30 Sec. 17. Section 421.59, Code 2022, is amended by adding the
31 following new subsections:

32 NEW SUBSECTION. 3A. An individual acting on behalf of
33 a taxpayer pursuant to subsection 2 must certify that the
34 individual possesses actual authority to act on behalf of the
35 taxpayer in tax matters.

1 NEW SUBSECTION. 3B. In addition to documents required under
2 subsection 2, the department shall require any documents or
3 other evidence to demonstrate an individual has authority to
4 act on behalf of the taxpayer before the department.

DIVISION VI

ELECTRONIC COMMUNICATION

7 Sec. 18. Section 421.60, subsection 11, Code 2022, is
8 amended by striking the subsection and inserting in lieu
9 thereof the following:

11. *Electronic communication.*

11 a. As used in this subsection, "electronic communication"
12 means a notice, correspondence, or other communication provided
13 electronically.

14 b. The department of revenue, by rule, may permit a person
15 to elect to receive an electronic communication from the
16 department.

17 c. (1) Notwithstanding any provision of law to the
18 contrary, when an electronic communication is posted to the
19 department's electronic portal for a person who has made such
20 an election, the posting of the electronic communication shall
21 satisfy any requirement of mailing or personal service in this
22 title, chapter 272D, or sections 321.105A and 533.329.

23 (2) The department may send any notice, correspondence,
24 or other communication by mail to a person who has elected to
25 receive an electronic communication from the department.

26 (3) If the department sends a notice, correspondence,
27 or other communication by both mail and by electronic
28 communication, service occurs upon the earlier of when the
29 communication is posted to the department's electronic portal
30 or mailed.

31 d. The director of revenue may adopt rules and establish
32 procedures under this subsection.

DIVISION VII

34 INCOME STATEMENTS TO BE PROVIDED TO THE DEPARTMENT

35 Sec. 19. Section 422.16, subsection 2, paragraphs b and c,

1 Code 2022, are amended to read as follows:

2 b. Every withholding agent on or before the ~~end fifteenth~~
3 ~~day~~ of the second month following the close of the calendar
4 year in which the withholding occurs shall make an annual
5 reporting of taxes withheld and other information prescribed
6 by the director and send to the department copies of ~~wage and~~
7 ~~tax statements with the return income statements required~~
8 ~~by subsection 7.~~ At the discretion of the director, the
9 withholding agent shall not be required to send ~~wage statements~~
10 ~~and tax income~~ statements with the annual ~~reporting return~~
11 ~~form report~~ if the information is available from the internal
12 revenue service or other state or federal agencies.

13 c. If the director has reason to believe that the collection
14 of the tax provided for in **subsections 1 and 12** is in jeopardy,
15 the director may require the employer or withholding agent to
16 ~~make the report file a return as required in subsection 2,~~
17 paragraph "a", and pay the tax at any time, in accordance with
18 section 422.30. The director may authorize incorporated banks,
19 trust companies, or other depositories authorized by law which
20 are depositories or financial agents of the United States or of
21 this state, to receive any tax imposed under **this chapter**, in
22 the manner, at the times, and under the conditions the director
23 prescribes. The director shall also prescribe the manner,
24 times, and conditions under which the receipt of the tax by
25 those depositories is to be treated as payment of the tax to
26 the department.

27 Sec. 20. Section 422.16, subsection 7, Code 2022, is amended
28 to read as follows:

29 7. a. Every withholding agent required to deduct and
30 withhold a tax under **subsections 1 and 12 of this section**
31 shall furnish to such employee, nonresident, or other person
32 in respect of the ~~remuneration~~ income paid by such employer
33 or withholding agent to such employee, nonresident, or other
34 person during the calendar year, on or before January 31 of
35 the succeeding year, or, in the case of employees, if the

1 employee's employment is terminated before the close of such
2 calendar year, within thirty days from the day on which the
3 last payment of wages or other taxable income is made, if
4 requested by such employee, but not later than January 31 of
5 the following year, ~~a written~~ an income statement showing the
6 following:

7 (1) The name and address of such employer or withholding
8 agent, and the taxpayer identification number of such employer
9 or withholding agent.

10 (2) The name of the employee, nonresident, or other person
11 and that person's ~~federal social security account~~ taxpayer
12 identification number, together with the last known address of
13 such employee, nonresident, or other person to whom wages have
14 or other taxable income has been paid during such period.

15 (3) The gross amount of wages, or other taxable income, paid
16 to the employee, nonresident, or other person.

17 (4) The total amount deducted and withheld as tax under the
18 provisions of subsections 1 and 12 of this section.

19 (5) The total amount of federal income tax withheld.

20 b. The income statements required to be furnished by this
21 subsection in respect of any wages or other taxable Iowa income
22 or any additional information required to be displayed on the
23 income statement shall be in such form or forms as the director
24 may, by regulation rule, prescribe.

25 Sec. 21. Section 422.16, subsection 10, paragraphs a and b,
26 Code 2022, are amended to read as follows:

27 a. An In addition to any other penalty provided by law,
28 an employer or withholding agent required under this chapter
29 to furnish a statement required by this chapter who willfully
30 furnishes a false or fraudulent statement, or who willfully
31 fails to furnish the statement is, for each failure, subject
32 to a civil penalty of five hundred dollars, the penalty to be
33 in addition to any criminal penalty otherwise provided by the
34 Code. to furnish or file an income statement required by this
35 statement is subject to a civil penalty of five hundred dollars

1 for each occurrence of the following:

2 (1) Willful failure to furnish an employee, nonresident, or
3 other person with an income statement.

4 (2) Willfully furnishing an employee, nonresident, or other
5 person with a false or fraudulent income statement.

6 (3) Willful failure to file an income statement with the
7 department.

8 (4) Willfully filing a false or fraudulent income statement
9 with the department.

10 b. ~~In addition to the tax or additional tax, any A person,~~
11 ~~or withholding agent shall pay a, or other person required by~~
12 ~~this section to file a return is subject to the penalty as~~
13 provided in section 421.27. Any penalty assessed under section
14 421.27 shall be in addition to the tax or additional tax due.

15 The taxpayer shall also pay interest on the tax or additional
16 tax at the rate in effect under section 421.7, for each month
17 counting each fraction of a month as an entire month, computed
18 from the date the semimonthly, monthly, or quarterly deposit
19 form was required to be filed. The penalty and interest become
20 a part of the tax due from the withholding agent.

21 Sec. 22. Section 422.16, Code 2022, is amended by adding the
22 following new subsection:

23 NEW SUBSECTION. 15. The director may allow additional
24 time for filing documents required under this section with the
25 department in the case of illness, disability, absence, or if
26 good cause is shown.

27 DIVISION VIII

28 REMITTANCES OF TRANSFER TAX

29 Sec. 23. Section 428A.8, subsection 1, paragraphs a and c,
30 Code 2022, are amended to read as follows:

31 a. On or before the tenth day of each month the county
32 recorder shall determine and pay remit to the treasurer of
33 state department of revenue eighty-two and three-fourths
34 percent of the receipts from the real estate transfer tax
35 collected during the preceding month and the treasurer of state

1 department of revenue shall deposit and transfer the receipts
2 as provided in subsection 2.

3 c. Any tax or additional tax found to be due shall be
4 collected by the county recorder. If the county recorder
5 is unable to collect the tax, the director of revenue shall
6 collect the tax in the same manner as taxes are collected in
7 chapter 422, subchapter III. If collected by the director
8 of revenue, the director shall pay remit to the county its
9 proportionate share of the tax. Section 422.25, subsections
10 1, 2, 3, and 4, and sections 422.26, 422.28 through 422.30,
11 and 422.73, consistent with this chapter, apply with respect
12 to the collection of any tax or additional tax found to be due,
13 in the same manner and with the same effect as if the deed,
14 instrument, or writing were an income tax return within the
15 meaning of those statutes.

16 Sec. 24. Section 428A.8, subsection 2, unnumbered paragraph
17 1, Code 2022, is amended to read as follows:

18 The treasurer of state department of revenue shall deposit
19 or transfer the receipts paid remitted to the treasurer of
20 state department of revenue pursuant to subsection 1 to either
21 the general fund of the state, the housing trust fund created
22 in section 16.181, or the shelter assistance fund created in
23 section 16.41 as follows:

24 Sec. 25. Section 428A.9, Code 2022, is amended to read as
25 follows:

26 **428A.9 Refund of tax.**

27 To receive a refund from the state the taxpayer shall
28 petition the state appeal board for a refund of the amount of
29 overpayment of the tax paid remitted to the treasurer of state
30 department of revenue. To receive a refund from the county
31 the taxpayer shall petition the board of supervisors for a
32 refund of the remaining portion of the overpayment paid to that
33 county.

1 Sec. 26. Section 441.32, Code 2022, is amended by adding the
2 following new subsection:

3 NEW SUBSECTION. 3. If a board member is removed under this
4 section, the board member shall not be eligible for appointment
5 to a board of review in this state for six years following the
6 date of the removal.

7 DIVISION X

8 EQUALIZATION ADJUSTMENTS — APPEALS

9 Sec. 27. Section 441.48, Code 2022, is amended to read as
10 follows:

11 **441.48 Notice of adjustment — protest appeal — final
12 action.**

13 1. Before the department of revenue shall adjust the
14 valuation of any class of property any such percentage, the
15 department shall first serve ten days' notice by mail, on the
16 county auditor of the county whose valuation is proposed to be
17 adjusted.

18 2. If the county or assessing jurisdiction intends
19 to protest appeal the proposed adjustment, the board of
20 supervisors or city council, city or county attorney, or
other official of the county or assessing jurisdiction, as
22 applicable, shall provide the department with written notice of
23 intent to protest prior to expiration of the ten days' notice
24 appeal within ten days of the notice provided by the department
25 of revenue under subsection 1.

26 3. After expiration of the ten days' notice, the county
27 or assessing jurisdiction may appear by its city council or
28 board of supervisors, city or county attorney, or city or
county officials, and make written or oral protest against such
30 proposed adjustment. Upon receiving a timely notice of intent
31 to appeal under subsection 2, the department shall schedule a
32 hearing on the proposed adjustment with the county or assessing
33 jurisdiction. A county or assessing jurisdiction may submit
34 an oral presentation at the hearing supported by written
35 documentation or may submit a written presentation in lieu

1 of making an oral presentation at a hearing. The county or
2 assessing jurisdiction shall submit all written documentation
3 to the department prior to the date of the hearing or, if the
4 county or assessing jurisdiction elects a written presentation,
5 not later than the date the written presentation is submitted.

6 4. The protest appeal shall consist simply of a statement
7 of the error, or errors, complained of with such facts and
8 documentation as may lead to their correction of such errors.

9 5. Appeals of the proposed adjustment under this section
10 are not subject to Code chapter 17A. After written protest is
11 received, or an oral protest is heard the hearing is held or
12 the written presentation is submitted, the final action may be
13 taken in reference to the proposed adjustment.

DIVISION XI

15 BUSINESS PROPERTY TAX CREDIT AND ASSESSMENT LIMITATIONS

16 Sec. 28. Section 2.48, subsection 3, paragraph f,
17 subparagraph (5), Code 2022, is amended by striking the
18 subparagraph.

19 Sec. 29. Section 331.512, subsection 5, Code 2022, is
20 amended by striking the subsection.

21 Sec. 30. Section 331.559, subsection 15, Code 2022, is
22 amended by striking the subsection.

23 Sec. 31. Section 357H.9, subsection 1, paragraph d,
24 subparagraph (2), Code 2022, is amended to read as follows:

25 (2) The difference between the actual value of the property
26 as determined by the assessor each year and the percentage
27 of adjustment certified for that year by the director of
28 revenue on or before November 1 assessed value of the property
29 following application of the assessment limitations pursuant to
30 section 441.21, subsection 9, multiplied by the actual value of
31 the property as determined by the assessor, shall be subtracted
32 from the actual value of the property as determined pursuant to
33 section 403.19, subsection 1.

34 Sec. 32. Section 357H.9, subsection 1, paragraph f,
35 subparagraph (1), Code 2022, is amended to read as follows:

1 (1) "Base year taxable value" means the actual value of
2 the property as determined in **section 403.19, subsection 1,**
3 multiplied by the percentage of adjustment certified for the
4 assessment year specified in **section 403.19, subsection 1,**
5 by the director of revenue on or before November 1 following
6 application of the assessment limitations pursuant to section
7 441.21, subsection 9.

8 Sec. 33. Section 403.20, Code 2022, is amended to read as
9 follows:

10 **403.20 Percentage of adjustment considered in value
11 assessment.**

12 In determining the assessed value of property within an
13 urban renewal area which is subject to a division of tax
14 revenues pursuant to **section 403.19**, the difference between the
15 actual value of the property as determined by the assessor each
16 year and the percentage of adjustment certified for that year
17 by the director of revenue on or before November 1 pursuant
18 to **section 441.21, subsection 9**, multiplied by the actual
19 value of the property as determined by the assessor following
20 application of the assessment limitations under section 441.21,
21 subsection 9, shall be subtracted from the actual value of the
22 property as determined pursuant to section 403.19, subsection
23 1. If the assessed value of the property as determined
24 pursuant to **section 403.19, subsection 1**, is reduced to zero,
25 the additional valuation reduction shall be subtracted from the
26 actual value of the property as determined by the assessor.

27 Sec. 34. Section 426C.2, Code 2022, is amended to read as
28 follows:

29 **426C.2 Business property tax credit fund — appropriation.**

30 1. A business property tax credit fund is created in the
31 state treasury under the authority of the department. For the
32 fiscal year beginning July 1, 2014, there is appropriated from
33 the general fund of the state to the department to be credited
34 to the fund, the sum of fifty million dollars to be used for
35 business property tax credits authorized in **this chapter**. For

1 the fiscal year beginning July 1, 2015, there is appropriated
2 from the general fund of the state to the department to be
3 credited to the fund, the sum of one hundred million dollars
4 to be used for business property tax credits authorized in
5 this chapter. For the fiscal year beginning July 1, 2016, and
6 each fiscal year thereafter beginning before July 1, 2023,
7 there is appropriated from the general fund of the state to the
8 department to be credited to the fund, the sum of one hundred
9 twenty-five million dollars to be used for business property
10 tax credits authorized in **this chapter.**

11 2. Notwithstanding **section 12C.7, subsection 2**, interest or
12 earnings on moneys deposited in the fund shall be credited to
13 the fund. Moneys in the fund are not subject to the provisions
14 of **section 8.33** and shall not be transferred, used, obligated,
15 appropriated, or otherwise encumbered except as provided in
16 this chapter. However, moneys remaining in the fund at the end
17 of the fiscal year beginning July 1, 2022, shall be transferred
18 by the department for deposit in the general fund of the state.

19 Sec. 35. NEW SECTION. 426C.10 Future repeal.

20 This chapter is repealed July 1, 2024.

21 Sec. 36. Section 441.21, subsection 5, Code 2022, is amended
22 to read as follows:

23 5. a. For valuations established as of January 1, 1979,
24 property valued by the department of revenue pursuant to
25 chapters 428, **433, 437**, and **438** shall be considered as one
26 class of property and shall be assessed as a percentage of
27 its actual value. The percentage shall be determined by the
28 director of revenue in accordance with the provisions of this
29 section. For valuations established as of January 1, 1979, the
30 percentage shall be the quotient of the dividend and divisor
31 as defined in **this section**. The dividend shall be the total
32 actual valuation established for 1978 by the department of
33 revenue, plus ten percent of the amount so determined. The
34 divisor for property valued by the department of revenue
35 pursuant to **chapters 428, 433, 437, and 438** shall be the

1 valuation established for 1978, plus the amount of value added
2 to the total actual value by the revaluation of the property
3 by the department of revenue as of January 1, 1979. For
4 valuations established as of January 1, 1980, property valued
5 by the department of revenue pursuant to **chapters 428, 433,**
6 **437, and 438** shall be assessed at a percentage of its actual
7 value. The percentage shall be determined by the director of
8 revenue in accordance with the provisions of **this section**. For
9 valuations established as of January 1, 1980, the percentage
10 shall be the quotient of the dividend and divisor as defined in
11 this section. The dividend shall be the total actual valuation
12 established for 1979 by the department of revenue, plus eight
13 percent of the amount so determined. The divisor for property
14 valued by the department of revenue pursuant to **chapters 428,**
15 **433, 437, and 438** shall be the valuation established for 1979,
16 plus the amount of value added to the total actual value by the
17 revaluation of the property by the department of revenue as of
18 January 1, 1980. For valuations established as of January 1,
19 1981, and each year thereafter, the percentage of actual value
20 at which property valued by the department of revenue pursuant
21 to **chapters 428, 433, 437, and 438** shall be assessed shall be
22 calculated in accordance with the methods provided herein,
23 except that any references to ten percent in **this subsection**
24 shall be eight percent. For valuations established on or after
25 January 1, 2013, property valued by the department of revenue
26 pursuant to **chapter 434** shall be assessed at a percentage
27 portion of its actual value equal to the percentage of actual
28 value determined in the same manner at which property assessed
29 as commercial property is assessed under paragraph "b" for the
30 same assessment year.

31 b. For valuations established on or after January 1, 2013,
32 commercial property, excluding properties referred to in
33 section 427A.1, subsection 9, shall be assessed at a percentage
34 portion of its actual value, as determined in this paragraph
35 "b".

1 (1) For valuations established for the assessment year
2 beginning January 1, 2013, the percentage of actual value
3 as equalized by the department of revenue as provided in
4 section 441.49 at which commercial property shall be assessed
5 shall be ninety-five percent. For valuations established
6 for the assessment year beginning January 1, 2014, and each
7 assessment year thereafter beginning before January 1, 2022,
8 the percentage of actual value as equalized by the department
9 of revenue as provided in **section 441.49** at which commercial
10 property shall be assessed shall be ninety percent.

11 (2) For valuations established for the assessment year
12 beginning January 1, 2022, and each assessment year thereafter,
13 the portion of actual value at which each property unit of
14 commercial property shall be assessed shall be the sum of the
15 following:

16 (a) An amount equal to the product of the assessment
17 limitation percentage applicable to residential property under
18 subsection 4 for that assessment year multiplied by the actual
19 value of the property that exceeds zero dollars but does not
20 exceed one hundred fifty thousand dollars.

21 (b) An amount equal to ninety percent of the actual value of
22 the property for that assessment year that exceeds one hundred
23 fifty thousand dollars.

24 c. For valuations established on or after January 1, 2013,
25 industrial property, excluding properties referred to in
26 section 427A.1, subsection 9, shall be assessed at a percentage
27 portion of its actual value, as determined in this paragraph
28 "c".

29 (1) For valuations established for the assessment year
30 beginning January 1, 2013, the percentage of actual value
31 as equalized by the department of revenue as provided in
32 section 441.49 at which industrial property shall be assessed
33 shall be ninety-five percent. For valuations established
34 for the assessment year beginning January 1, 2014, and each
35 assessment year thereafter beginning before January 1, 2022,

1 the percentage of actual value as equalized by the department
2 of revenue as provided in **section 441.49** at which industrial
3 property shall be assessed shall be ninety percent.

4 (2) For valuations established for the assessment year
5 beginning January 1, 2022, and each assessment year thereafter,
6 the portion of actual value at which each property unit of
7 industrial property shall be assessed shall be the sum of the
8 following:

9 (a) An amount equal to the product of the assessment
10 limitation percentage applicable to residential property under
11 subsection 4 for that assessment year multiplied by the actual
12 value of the property that exceeds zero dollars but does not
13 exceed one hundred fifty thousand dollars.

14 (b) An amount equal to ninety percent of the actual value of
15 the property for that assessment year that exceeds one hundred
16 fifty thousand dollars.

17 d. For valuations established for the assessment year
18 beginning January 1, 2019, and each assessment year thereafter,
19 the percentages or portions of actual value at which property
20 is assessed, as determined under **this subsection**, shall not be
21 applied to the value of wind energy conversion property valued
22 under **section 427B.26** the construction of which is approved by
23 the Iowa utilities board on or after July 1, 2018.

24 e. (1) For each fiscal year beginning on or after July 1,
25 2023, there is appropriated from the general fund of the state
26 to the department of revenue the sum of one hundred twenty-five
27 million dollars to be used for payments under this paragraph
28 calculated as a result of the assessment limitations imposed
29 under paragraph "b", subparagraph (2), subparagraph division
30 (a), and paragraph "c", subparagraph (2), subparagraph division
31 (a).

32 (2) For fiscal years beginning on or after July 1, 2023,
33 each county treasurer shall be paid by the department of
34 revenue an amount calculated under subparagraph (4). If an
35 amount appropriated for the fiscal year is insufficient to make

1 all payments as calculated under subparagraph (4), the director
2 of revenue shall prorate the payments to the county treasurers
3 and shall notify the county auditors of the pro rata percentage
4 on or before September 30.

5 (3) On or before July 1 of each fiscal year, the assessor
6 shall report to the county auditor that portion of the total
7 actual value of all commercial property and industrial property
8 in the county that is subject to the assessment limitations
9 imposed under paragraph "b", subparagraph (2), subparagraph
10 division (a), and paragraph "c", subparagraph (2), subparagraph
11 division (a), for the assessment year used to calculate the
12 taxes due and payable in that fiscal year.

13 (4) On or before September 1 of each fiscal year, the county
14 auditor shall prepare a statement, based on the report received
15 in subparagraph (3) and information transmitted to the county
16 auditor under chapter 434, listing for each taxing district in
17 the county:

18 (a) The product of the portion of the total actual value
19 of all commercial property, industrial property, and property
20 valued by the department under chapter 434 in the county
21 that is subject to the assessment limitations imposed under
22 paragraph "b", subparagraph (2), subparagraph division (a), and
23 paragraph "c", subparagraph (2), subparagraph division (a), for
24 the applicable assessment year used to calculate taxes which
25 are due and payable in the applicable fiscal year multiplied
26 by the difference, stated as a percentage, between ninety
27 percent and the assessment limitation percentage applicable
28 to residential property under subsection 4 for the applicable
29 assessment year.

30 (b) The tax levy rate per one thousand dollars of assessed
31 value for each taxing district for the applicable fiscal year.

32 (c) The amount of the payment for each county is equal to
33 the amount determined pursuant to subparagraph division (a),
34 multiplied by the tax rate specified in subparagraph division
35 (b), and then divided by one thousand dollars.

1 (5) The county auditor shall certify and forward one copy of
2 the statement described in subparagraph (4) to the department
3 of revenue not later than September 1 of each fiscal year.

4 (6) The amounts determined under this paragraph shall
5 be paid by the department to the county treasurers in equal
6 installments in September and March of each year. The county
7 treasurer shall apportion the payments among the eligible
8 taxing districts in the county and the amounts received by each
9 taxing authority shall be treated the same as property taxes
10 paid.

11 f. For the purposes of this subsection, unless the context
12 otherwise requires:

13 (1) "*Contiguous parcels*" means any of the following:

14 (a) Parcels that share a common boundary.

15 (b) Parcels within the same building or structure

16 regardless of whether the parcels share a common boundary.

17 (c) Permanent improvements to the land that are situated
18 on one or more parcels of land that are assessed and taxed
19 separately from the permanent improvements if the parcels of
20 land upon which the permanent improvements are situated share
21 a common boundary.

22 (2) "*Parcel*" means the same as defined in section 445.1.

23 "*Parcel*" also means that portion of a parcel assigned a
24 classification of commercial property or industrial property
25 pursuant to section 441.21, subsection 14, paragraph "b".

26 (3) "*Property unit*" means a parcel or contiguous parcels
27 all of which are located within the same county, with the same
28 property tax classification, are owned by the same person, and
29 are operated by that person for a common use and purpose.

30 Sec. 37. Section 441.21, subsections 9 and 10, Code 2022,
31 are amended to read as follows:

32 9. Not later than November 1, 1979, and November 1 of
33 each subsequent year, the director shall certify to the
34 county auditor of each county the percentages of actual
35 value at which residential property, agricultural property,

1 commercial property, industrial property, property valued by
2 the department of revenue pursuant to chapter 434, and property
3 valued by the department of revenue pursuant to chapters 428,
4 433, 437, and 438 in each assessing jurisdiction in the county
5 shall be assessed for taxation, including for assessment years
6 beginning on or after January 1, 2022, the percentages used to
7 apply the assessment limitations under subsection 5, paragraphs
8 "b" and "c". The county auditor shall proceed to determine
9 the assessed values of agricultural property, residential
10 property, commercial property, industrial property, property
11 valued by the department of revenue pursuant to chapter 434,
12 and property valued by the department of revenue pursuant to
13 chapters 428, 433, 437, and 438 by applying such percentages
14 to the current actual value of such property, as reported to
15 the county auditor by the assessor, and the assessed values so
16 determined shall be the taxable values of such properties upon
17 which the levy shall be made.

18 10. The percentage percentages of actual value computed
19 by the department of revenue for agricultural property,
20 residential property, commercial property, industrial property,
21 property valued by the department of revenue pursuant to
22 chapter 434, and property valued by the department of revenue
23 pursuant to chapters 428, 433, 437, and 438, including for
24 assessment years beginning on or after January 1, 2022, the
25 percentages used to apply the assessment limitations under
26 subsection 5, paragraphs "b" and "c", and used to determine
27 assessed values of those classes of property does do not

28 constitute a rule as defined in [Section 17.11.2, subsection 11](#).
29 Sec. 38. RETROACTIVE APPLICABILITY. This division of this
30 Act applies retroactively to assessment years beginning on or
31 after January 1, 2022.

DIVISION XIII

WAGE ASSIGNMENT NOTICE

34 Sec. 39. Section 421.17B, subsection 3, paragraph a, Code
35 2022, is amended to read as follows:

1 a. (1) The facility may proceed under this section only if
2 twenty days' notice of intent has been provided sent by regular
3 mail to the last known address of the obligor, notifying
4 the obligor that the obligor is subject to this section and
5 the facility intends to use the process established in this
6 section. If the facility determines that collection of the
7 debt may be in jeopardy, the facility may request that the
8 employer deliver notice of the wage assignment simultaneously
9 with the remainder of or in lieu of the obligor's compensation
10 due from the employer. The twenty days' notice period shall
11 not be required if the facility determines that the collection
12 of past due amounts would be jeopardized.

13 (2) The facility may obtain one or more wage assignments
14 of an obligor who is subject to this section. If the obligor
15 has more than one employer, the facility may receive wage
16 assignments from one or more of the employers until the full
17 debt obligation of the obligor is satisfied. If an obligor has
18 more than one employer, the facility shall give notice to all
19 employers from whom an assignment is sought.

20 Sec. 40. Section 421.17B, subsection 3, paragraph b,
21 unnumbered paragraph 1, Code 2022, is amended to read as
22 follows:

23 The facility shall notify an obligor subject to this section
24 of the initiation of the wage assignment action. The notice of
25 initiation from the facility to the obligor shall be sent by
26 regular mail within two working days of sending the notice to
27 the employer pursuant to subsection 6, paragraph "b", and shall
28 contain all of the following:

29 Sec. 41. Section 421.17B, subsection 4, Code 2022, is
30 amended by adding the following new paragraph:

31 NEW PARAGRAPH. c. The facility may obtain multiple wage
32 assignments of an obligor who is subject to this section. If
33 the obligor has multiple employers, the facility may receive
34 wage assignments from each employer until the full debt
35 obligation of the obligor is satisfied. The facility shall

1 give notice to each employer when the facility is seeking a
2 wage assignment.

3 Sec. 42. Section 421.17B, subsection 6, paragraph b, Code
4 2022, is amended to read as follows:

5 b. The To initiate a wage assignment, the facility shall
6 send a notice to the employer within fourteen days of sending
7 more than twenty days after the notice of the wage assignment
8 intent to use the levy process is sent to the obligor pursuant
9 to subsection 3, paragraph "a". The notice shall inform the
10 employer of the amount to be assigned to the facility from each
11 wage, salary, or payment period that is due the obligor. The
12 facility may receive assignment of up to one hundred percent
13 of the obligor's disposable income, salary, or payment for any
14 given period until the full obligation to the facility is paid
15 in full.

16 Sec. 43. Section 421.17B, subsection 9, paragraph a,
17 unnumbered paragraph 1, Code 2022, is amended to read as
18 follows:

19 A notice of wage assignment given sent to the obligor under
20 this section is effective without the serving of another notice
21 until the earliest of either earlier of the following:

DIVISION XIII

OUT-OF-STATE RECIPROCAL COLLECTIONS

24 Sec. 44. Section 421.24, Code 2022, is amended by striking
25 the section and inserting in lieu thereof the following:

26 421.24 Reciprocal interstate enforcement.

27 1. For the purposes of this section, the terms "tax" and
28 "taxes" include interest and penalties due under any taxing
29 statute, and liability for interest or penalties, or both,
30 due under a taxing statute of another state or a political
31 subdivision of another state, and shall be recognized and
32 enforced by the courts of this state to the same extent that
33 the laws of the other state permit the enforcement of liability
34 for interest or penalties, or both, due under a taxing statute
35 of this state or a political subdivision of this state.

1 2. *a.* The director of revenue shall have the authority
2 to enter into an agreement with a department or agency of any
3 other state for the department or agency of the other state to
4 collect delinquent accounts, charges, fees, loans, taxes, or
5 other indebtedness owed to, placed with, or being collected
6 by the central debt collection facility of the department of
7 revenue. The department may retain from the amounts collected
8 a fee established by agreement with the department or agency
9 of the other state.

10 *b.* The director of revenue shall have the authority to
11 enter into an agreement with a department or agency of any
12 other state for the centralized debt collection facility to
13 collect delinquent accounts, charges, fees, loans, taxes, or
14 other indebtedness owed to, placed with, or being collected
15 by the other state. The obligations or indebtedness of the
16 other state referred to the facility must be delinquent and not
17 subject to litigation, claim, appeal, or review pursuant to the
18 appropriate remedies of the state. The department may retain
19 from the amounts collected a fee established by agreement with
20 the department or agency of the other state.

21 *c.* Upon referral of a delinquent balance from the department
22 or agency of another state pursuant to paragraph "b", the
23 department shall send written notification to the obligor by
24 regular mail to the obligor's last known mailing address. The
25 notification shall contain an explanation of the balance owed,
26 the department or agency to which the balance is owed, that the
27 department has entered into an agreement to collect the balance
28 owed, and the obligor's opportunity to give written notice of
29 intent to contest the department's right to collect the amount
30 owed.

31 3. *a.* Challenges under this section may be initiated
32 only by an obligor. The department's review of its right to
33 reciprocal collection is not subject to chapter 17A.

34 *b.* The obligor challenging the reciprocal collection shall
35 submit a written challenge in the manner provided in the notice

1 described in subsection 2, paragraph "c", within fifteen days of
2 the date of the notice.

3 c. The department, upon receipt of a written challenge,
4 shall provide written notice of the challenge to the referring
5 department or agency. The department shall review the
6 information provided by the referring department or agency and
7 shall obtain additional information if necessary to establish
8 that the liability is delinquent and not subject to appeal, or
9 to verify the identity of the obligor or the amount owed. The
10 department shall set a time to occur within ten days of receipt
11 of the challenge to review the relevant facts of the challenge
12 with the obligor. An alternative time may be set at the
13 request of the obligor. If the obligor does not participate in
14 the review at the scheduled time and an alternative time is not
15 requested and approved, the review shall take place without the
16 obligor being present. Only a determination that the referred
17 liability is not delinquent or is subject to challenge or a
18 mistake of fact, including a mistake in the identity of the
19 obligor, or a mistake in the amount owed, shall be considered
20 as a reason to reject the referred liability.

21 d. If the department determines that a mistake of fact
22 has occurred or that the liability is not delinquent or is
23 subject to challenge, the department shall reject referral of
24 the liability and shall take no further action to collect the
25 liability.

26 e. If the department finds no mistake of fact and that
27 the liability is delinquent and not subject to challenge,
28 the department shall deny the challenge and provide a notice
29 of that effect to the obligor and may proceed to collect the
30 balance owed.

31 4. a. At the request of the director the attorney general
32 may bring suit in the name of this state, in the appropriate
33 court of any other state to collect any tax legally due in
34 this state, and any political subdivision of this state or the
35 appropriate officer, acting in its behalf, may bring suit in

1 the appropriate court of any other state to collect any tax
2 legally due to such political subdivision.

3 b. The courts of this state shall recognize and enforce
4 liabilities for taxes lawfully imposed by any other state, or
5 any political subdivision of the other state, which extends
6 a like comity to this state, and the duly authorized officer
7 of any such state or a political subdivision of such state may
8 sue for the collection of such tax in the courts of this state.

9 A certificate by the secretary of state of such other state
10 that an officer suing for the collection of such a tax is duly
11 authorized to collect the same shall be conclusive proof of
12 such authority.

13 c. The courts of this state shall not enforce interest
14 rates or penalties on taxes of any other state which exceed the
15 interest rates and penalties imposed by the state of Iowa for
16 the same or a similar tax.

17 5. Thirty days following the mailing of notice pursuant
18 to subsection 2, paragraph "c", if no written challenge is
19 received, or upon the department providing notice of denial
20 of a challenge pursuant to subsection 3, paragraph "e", any
21 tax amount referred to the facility under subsection 2 shall
22 be treated as the equivalent of individual income tax that is
23 final, due and payable, and may be collected in any manner
24 authorized under the law for collection of a delinquent tax
25 liability, including but not limited to the recording of a
26 notice of state tax lien or issuance of a distress warrant.

27 6. The department may release information otherwise
28 confidential under section 422.20 or 422.72 to the department
29 or agency of the other state, provided the department or agency
30 of the other state agrees to keep such information confidential
31 as defined by Iowa law. An employee or contractor of the
32 department or agency of the other state shall not be required
33 to complete the confidentiality training or acknowledgment
34 requirements of the department.

1 PASS-THROUGH ENTITY TAXATION

2 Sec. 45. Section 422.25A, subsection 3, Code 2022, is
3 amended to read as follows:

4 3. *State partnership pass-through representative.*

5 Notwithstanding any other law to the contrary, the state
6 partnership pass-through representative for the reviewed
7 year shall have the sole authority to act on behalf of
8 the partnership or pass-through entity with respect to an
9 action required or permitted to be taken by a partnership or
10 pass-through entity under **this section or section 422.28** or
11 422.29 with respect to final federal partnership adjustments
12 arising from a partnership level audit or an administrative
13 adjustment request, and its direct partners and indirect
14 partners shall be bound by those actions.

15 Sec. 46. Section 422.25A, subsection 4, paragraph a,
16 subparagraph (3), Code 2022, is amended to read as follows:

17 (3) File an amended composite return under **section 422.13,**
18 Code 2021, or under section 422.16B, as applicable, if one
19 was originally required to be filed, and if applicable for
20 withholding from partners, file an amended withholding report
21 under **section 422.16, Code 2021,** and pay the additional amount
22 under **this title** that would have been due had the final federal
23 partnership adjustments been reported properly as required,
24 including any applicable interest and penalties.

25 Sec. 47. Section 422.25A, subsection 4, paragraph b,
26 subparagraph (3), Code 2022, is amended to read as follows:

27 (3) If the direct partner is a tiered partner and subject to
28 **section 422.13, Code 2021, or section 422.16B,** file an amended
29 composite return under **section 422.13, Code 2021, or under**
30 **section 422.16B, as applicable,** if such return was originally
31 required to be filed, and if applicable for withholding from
32 partners file an amended withholding report under section
33 **422.16, Code 2021,** if one was originally required to be filed.

34 Sec. 48. Section 422.25A, subsection 4, paragraph c,
35 subparagraph (3), Code 2022, is amended to read as follows:

1 (3) Within ninety days after the time for filing and
2 furnishing statements to tiered partners and their partners as
3 established by section 6226 of the Internal Revenue Code and
4 the regulations thereunder, if the indirect partner is a tiered
5 partner and subject to section 422.13, Code 2021, or section
6 422.16B, file an amended composite return under section 422.13,
7 Code 2021, or under section 422.16B, as applicable, if such
8 return was originally required to be filed, and if applicable
9 for withholding from partners, file an amended withholding
10 report under section 422.16, Code 2021, if one was originally
11 required to be filed.

12 Sec. 49. Section 422.25A, subsection 5, paragraph c,
13 subparagraph (6), subparagraph division (a), Code 2022, is
14 amended to read as follows:

15 (a) Total the amounts computed pursuant to subparagraphs
16 (2) through (5) and calculate any interest and penalty as
17 provided under this title. Notwithstanding any provision of
18 law to the contrary, interest and penalties on the amount due
19 by the audited partnership or tiered partner shall be computed
20 from the day after the due date of the reviewed year return
21 without extension, and shall be imposed as if the audited
22 partnership or tiered partner was required to pay tax or show
23 tax due on the original return for the reviewed year, except
24 that a specified business subject to the penalty in section
25 421.27, subsection 1, paragraph "b", for the reviewed year
26 shall not also be subject to the penalty in section 421.27,
27 subsection 1, paragraph "a", on the amount due for that reviewed
28 year pursuant to the election to pay.

29 Sec. 50. Section 422.25B, Code 2022, is amended to read as
30 follows:

31 **422.25B State partnership pass-through representative.**

32 1. As used in this section, all words and phrases defined
33 in section 422.25A shall have the same meaning given them by
34 that section.

35 2. The state partnership pass-through representative for

1 the reviewed year for a partnership shall be the partnership's
2 federal partnership representative with respect to an action
3 required or permitted to be taken by a state ~~partnership~~
4 pass-through representative under [this chapter](#) for a reviewed
5 year, unless the partnership designates in writing another
6 person as the state ~~partnership~~ pass-through representative as
7 provided in [subsection 3](#). The state ~~partnership~~ pass-through
8 representative for the reviewed year for a pass-through entity
9 is the person designated in [subsection 3](#).

10 3. The department may establish reasonable qualifications
11 for a person to be a state ~~partnership~~ pass-through
12 representative. If a partnership desires to designate a
13 person other than the federal partnership representative, the
14 partnership shall designate such person in the manner and
15 form prescribed by the department. A pass-through entity
16 shall designate a person as the state ~~partnership~~ pass-through
17 representative in the manner and form prescribed by the
18 department. A partnership or pass-through entity shall be
19 allowed to change such designation by notifying the department
20 at the time the change occurs in the manner and form prescribed
21 by the department.

22 4. The department may adopt any rules pursuant to chapter
23 17A to implement [this section](#).

24 Sec. 51. Section 422.25C, subsections 2 and 3, Code 2022,
25 are amended to read as follows:

26 2. For tax years beginning on or after January 1, 2020, any
27 adjustments to a partnership's or pass-through entity's items
28 of income, gain, loss, expense, or credit, or an adjustment to
29 such items allocated to a partner that holds an interest in a
30 partnership or pass-through entity for the reviewed year by
31 the department as a result of a state partnership audit, shall
32 be determined at the partnership level or pass-through entity
33 level in the same manner as provided by section 6221(a) of the
34 Internal Revenue Code and the regulations thereunder unless a
35 different treatment is specifically provided in [this title](#).

1 The provisions of sections 6222, 6223, and 6227 of the Internal
2 Revenue Code and the regulations thereunder shall also apply to
3 a partnership or pass-through entity and its direct or indirect
4 partners in the same manner as provided in such sections unless
5 a different treatment is specifically provided in **this title**.
6 For purposes of applying such sections, due account shall be
7 made for differences in federal and Iowa terminology. The
8 adjustment provided by section 6221(a) of the Internal Revenue
9 Code shall be determined as provided in such section but shall
10 be based on Iowa taxable income or other tax attributes of
11 the partnership or pass-through entity as determined pursuant
12 to **this chapter** for the reviewed year. The department shall
13 issue a notice of adjustment to the partnership or pass-through
14 entity. Such notice shall be treated as an assessment for
15 the purposes of **section 422.25**, and the notice shall be
16 appealable by the partnership or pass-through entity pursuant
17 to **sections 422.28** and **422.29** and shall be issued within the
18 time period provided by **section 422.25**. Once the adjustments
19 to partnership-related or pass-through entity-related items or
20 reallocations of income, gains, losses, expenses, credits, and
21 other attributes among such partners for the reviewed year are
22 finally determined, the partnership or pass-through entity and
23 any direct partners or indirect partners shall then be subject
24 to the provisions of **section 422.25, subsection 1**, paragraph
25 "e", and **section 422.25A** in the same manner as if the state
26 partnership audit were a federal partnership level audit, and
27 as if the final state partnership audit adjustment were a final
28 federal partnership adjustment. The penalty exceptions in
29 section 421.27, subsection 2, paragraphs "b" and "c", shall not
30 apply to a state partnership audit.

31 3. The state partnership pass-through representative for
32 the reviewed year as determined under **section 422.25B** shall
33 have the sole authority to act on behalf of the partnership
34 or pass-through entity with respect to an action required or
35 permitted to be taken by a partnership or pass-through entity

1 under **this section**, including proceedings under **section 422.28**
2 or **422.29**, and the partnership's or pass-through entity's
3 direct partners and indirect partners shall be bound by those
4 actions.

5 Sec. 52. COMPOSITE RETURN UNUSED TAX CREDIT CARRYFORWARDS
6 FROM TAX YEAR 2021. Notwithstanding any other provision
7 of law to the contrary, if a pass-through entity filing
8 composite returns under section 422.13, subsection 5, Code
9 2021, has a nonrefundable income tax credit carryforward amount
10 attributable to the composite return following the close of
11 the entity's composite return tax year that began during the
12 2021 calendar year, the pass-through entity may allocate those
13 income tax credit carryforward amounts to the pass-through
14 entity's partners, members, beneficiaries, or shareholders in
15 the pass-through entity's tax year that begins during the 2022
16 calendar year, in the amount designated by the pass-through
17 entity and in the manner and form prescribed by the department
18 of revenue. The income tax credit shall be the same in the
19 hands of the partner, member, beneficiary, or shareholder as in
20 the pass-through entity, and may be claimed for any tax year
21 that the pass-through entity could have claimed the tax credit.

22 Sec. 53. EFFECTIVE DATE. The following, being deemed of
23 immediate importance, takes effect upon enactment:

24 The section of this division of this Act amending section
25 425.25A, subsection 5, paragraph "c", subparagraph (6),
26 subparagraph division (a).

27 Sec. 54. RETROACTIVE APPLICABILITY. The following applies
28 retroactively to January 1, 2022, for tax years beginning on
29 or after that date:

30 The section of this division of this Act amending section
31 425.25A, subsection 5, paragraph "c", subparagraph (6),
32 subparagraph division (a).

33 DIVISION XV

34 INHERITANCE TAX — UNKNOWN HEIRS

35 Sec. 55. Section 450.93, Code 2022, is amended to read as

1 follows:

2 **450.93 Unknown heirs.**

3 1. Whenever For a decedent dying before January 1, 2021,
4 whenever the heirs or persons entitled to any estate or any
5 interest therein are unknown or their place of residence
6 cannot with reasonable certainty be ascertained, a tax of five
7 percent shall be paid to the department of revenue upon all
8 such estates or interests, subject to refund as provided herein
9 in other cases; provided, however, that if it be afterwards
10 determined that any estate or interest passes to aliens, there
11 shall be paid within sixty days after such determination and
12 before delivery of such estate or property, an amount equal to
13 the difference between five percent, the amount paid, and the
14 amount which such person should pay under the provisions of
15 this chapter.

16 2. a. For a decedent dying on or after January 1, 2021,
17 but before January 1, 2022, the tax imposed in subsection 1
18 shall be reduced by twenty percent, and rounded to the nearest
19 one-hundredth of one percent.

20 b. For a decedent dying on or after January 1, 2022,
21 but before January 1, 2023, the tax imposed in subsection 1
22 shall be reduced by forty percent, and rounded to the nearest
23 one-hundredth of one percent.

24 c. For a decedent dying on or after January 1, 2023,
25 but before January 1, 2024, the tax imposed in subsection 1
26 shall be reduced by sixty percent, and rounded to the nearest
27 one-hundredth of one percent.

28 d. For a decedent dying on or after January 1, 2024, but
29 before January 1, 2025, the tax imposed in subsection 1 shall
30 be reduced by eighty percent, and rounded to the nearest
31 one-hundredth of one percent.

32 3. For a decedent dying on or after January 1, 2025, the tax
33 in subsection 1 shall not be imposed.

34 Sec. 56. RETROACTIVE APPLICABILITY. This division of this
35 Act applies retroactively to January 1, 2021.

1

DIVISION XVI

2 NOTICE REQUIREMENTS FOR PUBLICATION OF INTEREST RATES

3 Sec. 57. Section 421.7, subsection 6, Code 2022, is amended
4 to read as follows:

5 6. In November of each year the director shall cause an
6 advisory notice to be published in the Iowa administrative
7 bulletin and ~~in a newspaper of general circulation in this~~
8 ~~state on the internet site of the department~~, stating the
9 rate of interest to be in effect on or after January 1 of
10 the following year, as established by **this section**. The
11 calculation and publication of the rate of interest by the
12 director is exempt from **chapter 17A**.

13

DIVISION XVII

14 PROPERTY ASSESSMENT APPEAL BOARD — SALARIES

15 Sec. 58. Section 421.1A, subsection 6, Code 2022, is amended
16 to read as follows:

17 6. The members of the property assessment appeal board shall
18 receive a salary set by the governor ~~within a range established~~
~~by the general assembly and commensurate with the salary of an~~
~~administrative law judge~~. The members of the board shall be
21 considered state employees for purposes of salary and benefits.
22 The members of the board and any employees of the board, when
23 required to travel in the discharge of official duties, shall
24 be paid their actual and necessary expenses incurred in the
25 performance of duties.

26 Sec. 59. 2008 Iowa Acts, chapter 1191, section 14,
27 subsection 5, as amended by 2013 Iowa Acts, chapter 123,
28 section 63, 2018 Iowa Acts, chapter 1163, section 8, and 2018
29 Iowa Acts, chapter 1165, section 81, is amended to read as
30 follows:

31 5. The following are range 5 positions: administrator of
32 the division of homeland security and emergency management of
33 the department of public defense, state public defender, drug
34 policy coordinator, labor commissioner, workers' compensation
35 commissioner, director of the department of cultural affairs,

1 director of the department of elder affairs, director of the
2 law enforcement academy, ~~members of the property assessment~~
3 ~~appeal board~~, executive director of the department of veterans
4 affairs, and administrator of the historical division of the
5 department of cultural affairs.

6 Sec. 60. APPLICABILITY. This division of this Act applies
7 to fiscal years beginning on or after July 1, 2022, effective
8 with the pay period beginning June 24, 2022, and subsequent pay
9 periods.

10 DIVISION XVIII

11 DUE DATES — HOLIDAYS

12 Sec. 61. Section 421.9, subsection 2, Code 2022, is amended
13 to read as follows:

14 2. The office of the department shall be maintained at the
15 seat of government in this state. The department shall be
16 deemed to be in continuous session and open for the transaction
17 of business except ~~Saturdays, Sundays, and legal holidays~~
18 Saturday, Sunday, and a holiday. The director of revenue may
19 hold sessions in conducting investigations any place within the
20 state when necessary to facilitate and render more thorough
21 the performance of the director's duties. As used in this
22 section, "holiday" means the same as defined in section 421.9A,
23 subsection 1, paragraph "b", or a date when the office is
24 otherwise closed pursuant to section 4.1, subsection 34.

25 Sec. 62. NEW SECTION. 421.9A Due dates and holidays.

26 1. As used in this section, "holiday" means any of the
27 following:

28 a. A legal public holiday as described in section 1C.1.
29 b. A paid holiday as described in section 1C.2, subsection
30 1, and subsection 2, paragraph "b".

31 c. A federal holiday observed by the United States postal
32 service.

33 d. A banking holiday observed by the federal reserve.

34 e. A date when the office of the department is otherwise
35 closed pursuant to section 4.1, subsection 34.

1 2. When the due date for filing a return or other document
2 with the department or the due date for the department to take
3 any action falls on a Saturday, Sunday, or any holiday, the act
4 is considered to be performed timely if the act is performed
5 on or before the first business day following the Saturday,
6 Sunday, or holiday.

7 Sec. 63. Section 421.17A, subsection 1, paragraph g, Code
8 2022, is amended to read as follows:

9 g. "*Working days*" means Monday through Friday, excluding the
10 ~~holidays specified in section 1C.2, subsection 1~~ a holiday as
11 defined in section 421.9A.

12 Sec. 64. Section 423.50, subsections 4 and 5, Code 2022, are
13 amended by striking the subsections.

14 Sec. 65. Section 452A.61, subsection 1, Code 2022, is
15 amended to read as follows:

16 1. The reports, returns, and remittances required under
17 this chapter shall be deemed filed within the required time
18 if postpaid, properly addressed, and postmarked on or before
19 midnight of the day on which due and payable. If the final
20 filing date falls on a Saturday, Sunday, or ~~legal~~ holiday the
21 next ~~secular~~ or business day shall be the final filing date.

22 Sec. 66. Section 452A.61, Code 2022, is amended by adding
23 the following new subsection:

24 NEW SUBSECTION. 3. As used in this section, "*holiday*" means
25 the same as defined in section 421.9A.

26 Sec. 67. Section 453A.10, Code 2022, is amended to read as
27 follows:

28 **453A.10 Affixing of stamps by distributors.**

29 Except as provided in section 453A.17, every distributor
30 holding an Iowa permit shall cause to be affixed, within or
31 without the state of Iowa, upon every individual package of
32 cigarettes received by the distributor in this state or for
33 distribution in this state, upon which no sufficient tax
34 stamp is already affixed, a stamp or stamps of an amount
35 equal to the tax due thereon. Such stamps shall be affixed

1 within forty-eight hours, exclusive of ~~Sundays and legal~~
2 ~~holidays a Sunday or a holiday~~, from the hour the cigarettes
3 were received, and shall be affixed before such distributor
4 sells, offers for sale, consumes, or otherwise distributes or
5 transports the same. It shall be unlawful for any person,
6 other than a distributing agent or distributor, bonded pursuant
7 to section 453A.14, or common carrier to receive or accept
8 delivery of any cigarettes without stamps affixed to evidence
9 the payment of the tax, or without having in possession the
10 requisite amount or number of stamps necessary to stamp such
11 cigarettes, and the possession of any unstamped cigarettes,
12 without the possession of the requisite amount or number of
13 stamps, shall be prima facie evidence of the violation of this
14 provision. As used in this section, "holiday" means the same
15 as defined in section 421.9A.

16 Sec. 68. Section 453A.14, subsection 3, Code 2022, is
17 amended to read as follows:

18 3. An additional bond or a new bond may be required by the
19 director at any time an existing bond becomes insufficient or
20 the surety thereon becomes unsatisfactory, which additional
21 bond, or new bond, shall be supplied within ten days after
22 demand. On failure to supply a new bond or additional bond
23 within ten days after demand, the director may cancel any
24 existing bond made and secured by and for the person. If the
25 bond is canceled the person shall within forty-eight hours
26 after receiving cigarettes or forty-eight hours after the
27 cancellation, excluding ~~Sundays and legal holidays a Sunday~~
28 or a holiday, cause any cigarettes in the person's possession
29 to have the requisite amount of stamps affixed to represent
30 the tax. As used in this section, "holiday" means the same as
31 defined in section 421.9A.

32 DIVISION XIX

33 AVIATION FUEL AND MOTOR FUEL REFUNDS

34 Sec. 69. Section 452A.82, Code 2022, is amended to read as
35 follows:

l 452A.82 Aviation fuel tax fund.

2 The portion of the moneys collected under this chapter
3 received on account of aviation gasoline and special fuel
4 used in aircraft, less refunds issued on account of aviation
5 gasoline and special fuel used in aircraft, shall be deposited
6 in a separate fund to be maintained by the treasurer. All
7 moneys remaining in the separate fund after the cost of
8 administering the fund has been paid shall be credited to the
9 state aviation fund created in section 328.56.

10 Sec. 70. Section 452A.84, subsections 1 and 2, Code 2022,
11 are amended to read as follows:

12 1. Determine monthly the total amount of motor fuel tax
13 collected under **this chapter**, less refunds for motor fuel tax,
14 and multiply the amount by nine-tenths of one percent.

15 2. Subtract from the figure computed pursuant to
16 subsection 1 of **this section** three percent of the figure for
17 administrative costs and further subtract from the figure the
18 amounts refunded to commercial fishers pursuant to section
19 452A.17, subsection 1, paragraph "a", subparagraph (7). All
20 moneys remaining after claims for refund and the cost of
21 administration have been made shall be transferred to the
22 marine fuel tax fund.

DIVISION XX

24 INHERITANCE TAX REPEAL — SUBMISSION OF PROPOSED CODE CHANGES

25 Sec. 71. 2021 Iowa Acts, chapter 177, section 14, is amended
26 to read as follows:

27 SEC. 14. DEPARTMENT OF REVENUE. The department of revenue
28 is directed to review references to Code **chapters 450** and **450B**
29 and submit proposed corrections to such references in bill form
30 to the general assembly by the 2022 2024 regular session of the
31 ~~eighty-ninth~~ ninetieth general assembly.

EXPLANATION

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

35 This bill relates to state and local finances and the duties

1 and procedures of the department of revenue by providing for
2 electronic filing, communications, and records, modifying
3 transfer tax remittances, the assessment of property, the
4 collection of debt, and the taxation of pass-through entities,
5 reducing inheritance taxes for unknown heirs, and establishing
6 salaries.

7 DIVISION I — RECORD RETENTION. Currently, the director of
8 the department of revenue (DOR) may destroy useless records of
9 any taxpayer filed with or kept by the department. The bill
10 specifies that the director of revenue (director) shall destroy
11 useless records by the end of the calendar year following the
12 year in which the records are determined to be useless. The
13 bill permits a taxpayer or the DOR to request the director
14 retain a useless record under certain circumstances. The
15 bill also permits DOR to retain some records if personally
16 identifiable information has been removed, or the records are
17 related to a rule, statement of law or policy, or a final
18 order, decision, or opinion.

19 The bill allows DOR to make electronic copies of records or
20 use other methods to make such copies.

21 The division takes effect January 1, 2025.

22 DIVISION II — ELECTRONIC FILING — FIDUCIARIES — BUSINESS
23 ENTITIES. The bill requires a fiduciary to file an electronic
24 return under any of the following certain circumstances: the
25 individual, estate, or trust has gross receipts of \$250,000 or
26 more; the fiduciary is required to provide 10 or more schedules
27 K-1 to the beneficiaries; or the fiduciary reports \$25,000 or
28 more of Iowa tax credits.

29 The bill requires a partnership to file an electronic return
30 under any of the following circumstances: the partnership has
31 gross receipts of \$250,000 or more; the partnership is required
32 to provide 10 or more schedules K-1 to the partners; or the
33 partnership reports \$25,000 or more of Iowa tax credits.

34 If a pass-through entity that is required to file a composite
35 return is required to file an electronic return under section

1 422.14, 422.15, or 422.36, the bill requires the pass-through
2 entity to file the composite return of the pass-through entity
3 in an electronic format for the same taxable year. A composite
4 return generally is a return filed by a pass-through entity
5 that reports the state income of all nonresident owners.

6 The bill requires a corporation to file an electronic return
7 if the corporation has gross receipts of \$250,000 or more, or
8 the corporation reports \$25,000 or more of Iowa tax credits, or
9 in the case of an S corporation, the corporation is required to
10 issue 10 or more schedules K-1 to the shareholders.

11 The bill requires an affiliated group of corporations to
12 file an electronic return regardless of the amount of gross
13 receipts of the affiliated group or Iowa tax credits claimed.

14 The bill requires a financial institution (bank) to file an
15 electronic return under any of the following circumstances:
16 the financial institution has gross receipts of \$250,000 or
17 more; the financial institution reports \$25,000 or more of Iowa
18 tax credits, or in the case of an S corporation, the financial
19 institution is required to issue 10 or more schedules K-1 to
20 the shareholders.

21 The division applies to tax years ending on or after December
22 31, 2022, for a partnership, pass-through entity, corporation,
23 and financial institution, and applies to tax years ending on
24 or after December 31, 2023, for a fiduciary, or for tax years
25 ending on or after December 31 of the calendar year in which
26 the department implements a system for receiving the electronic
27 returns required by the division.

28 DIVISION III — ELECTRONIC FILING — CREDIT UNIONS. The
29 bill requires a credit union to file a return in an electronic
30 format specified by DOR.

31 The division applies to tax years ending on or after December
32 31, 2024, or for tax years ending on or after December 31 of the
33 calendar year in which the department implements a system for
34 receiving the electronic returns required by the division.

35 DIVISION IV — AUTHORITY TO CHARGE FEES. The bill specifies

1 DOR may charge a fee for a copy of a return. The fee may be
2 established by rule.

3 The bill also specifies that this division shall not be
4 construed to prohibit DOR from charging a fee for a copy of
5 a return prior to the enactment of the division pursuant to
6 another authority of DOR.

7 DIVISION V — AUTHORITY TO ACT ON BEHALF OF TAXPAYER. The
8 bill strikes and replaces provisions relating to the authority
9 to act on behalf of a business entity, and specifies that such
10 a person must be designated to act on behalf of the business
11 entity in tax matters.

12 The bill specifies DOR may authorize a trustee to have
13 authority to act on behalf of a taxpayer, if the trustee
14 complies with certain conditions requested by DOR including but
15 not limited to providing a certification of trust or providing
16 a copy of the trust agreement.

17 The bill specifies DOR may authorize a person named as an
18 agent in a general or durable power of attorney document that
19 is currently in force.

20 The bill specifies DOR may authorize a person named as a
21 successor, as defined in Code section 633.256, of a very small
22 estate to act on behalf of the taxpayer.

23 The bill requires a person acting on behalf of a taxpayer to
24 certify that the person possesses actual authority to act on
25 behalf of the entity in tax matters.

26 The bill allows DOR to require any documents or other
27 evidence to demonstrate an individual has authority to act on
28 behalf of the taxpayer before DOR.

29 DIVISION VI — ELECTRONIC COMMUNICATION. Under the
30 bill, DOR may permit a person to elect to receive a notice,
31 correspondence, or other communication electronically.

32 If a person makes an election to receive an electronic
33 communication, the posting of the electronic communication
34 to the electronic portal of DOR satisfies any requirement of
35 mailing or personal service in title X (financial resources),

1 Code chapter 272D (debt owed state or local government), or
2 Code sections 321.105A (fee for new registration) and 533.329
3 (taxation of credit unions).

4 The bill allows DOR to send any notice, correspondence, or
5 other communication by mail to a person who has elected to
6 receive an electronic communication.

7 DIVISION VII — INCOME STATEMENTS TO BE PROVIDED TO
8 THE DEPARTMENT. The bill updates and amends Code section
9 422.16(10)(a) relating to the penalties for willful violations
10 of the following: failure to furnish an employee with an
11 income statement; furnishing a false or fraudulent income
12 statement to an employee; failure to file an income statement
13 with DOR; filing a false or fraudulent income statement with
14 DOR; failure to file an annual reporting of taxes withheld with
15 DOR; and filing a false or fraudulent annual reporting of taxes
16 withheld with DOR. Under the bill and in current law, each
17 violation is punishable by a \$500 civil penalty.

18 The bill amends Code section 422.16(10)(b) to specify that a
19 person, withholding agent, or other person required to file a
20 withholding return shall be subject to the penalties provided
21 in Code section 421.27 in addition to the tax or additional tax
22 due.

23 The bill provides that the director may allow additional
24 time for the filing of documents required by section 422.16
25 (withholding income tax) in the case of illness, disability,
26 absence, or if good cause is shown.

27 DIVISION VIII — REMITTANCES OF TRANSFER TAX. Currently,
28 the county recorder remits the real estate transfer tax to
29 the treasurer of state. The bill changes the remittances
30 of the transfer tax by the county recorder and requires the
31 remittances of the transfer tax by the county recorder be made
32 to the department of revenue.

33 DIVISION IX — BOARD OF REVIEW ELIGIBILITY. The bill amends
34 Code section 441.32 relating to the removal of a member of a
35 board of review by specifying that if a board member is removed

1 under that Code section, the board member shall not be eligible
2 for appointment to a board of review in this state for six
3 years following the date of the removal.

4 DIVISION X — EQUALIZATION ADJUSTMENTS — APPEALS. The
5 bill amends Code section 441.48 to provide that, in addition
6 to the board of supervisors or the city council, a city or
7 county attorney or other official of the county or assessing
8 jurisdiction may provide written notice of intent to appeal
9 an equalization to the department of revenue. The bill also
10 requires the written notice of appeal to be provided within
11 10 days of the notice provided by the department of revenue.
12 Upon receiving a timely notice of intent to appeal, the bill
13 requires the department to schedule a hearing on the proposed
14 adjustment with the county or assessing jurisdiction and
15 specifies the allowable formats for the hearing or written
16 presentation of the appeal. The bill specifies that appeals of
17 a proposed adjustment are not subject to Code chapter 17A.

18 DIVISION XI — BUSINESS PROPERTY TAX CREDIT AND ASSESSMENT
19 LIMITATION. Code chapter 426C provides a business property tax
20 credit for commercial, industrial, and railway property for
21 property taxes due and payable in fiscal years beginning on or
22 after July 1, 2014. The business property tax credit is funded
23 from an annual standing appropriation of \$125 million.

24 The bill eliminates the annual appropriation for the
25 business property tax credit under Code section 426C.2 for
26 fiscal years beginning on or after July 1, 2023, and provides
27 that moneys remaining in the business property tax credit fund
28 at the end of the fiscal year beginning July 1, 2022, shall be
29 transferred by the department of revenue for deposit in the
30 general fund of the state. The bill also establishes a future
31 repeal date for Code chapter 426C of July 1, 2024.

32 Current Code section 441.21 imposes an assessment limitation
33 (rollback) on commercial property, industrial property,
34 and property valued by the department of revenue under Code
35 chapter 434 (railway company property) of 90 percent for

1 assessment years beginning on or after January 1, 2014. The
2 bill modifies the amount and methodology for calculating the
3 assessment limitation for property units, as defined in the
4 bill, within those classifications of property. Instead of a
5 uniform percentage of value, for valuations established for the
6 assessment year beginning January 1, 2022, and each assessment
7 year thereafter, the portion of actual value at which each
8 property unit of commercial property shall be assessed shall be
9 the sum of the following: (1) an amount equal to the product of
10 the assessment limitation percentage applicable to residential
11 property multiplied by the actual value of the property that
12 exceeds \$0 but does not exceed \$150,000; and (2) an amount
13 equal to 90 percent of the actual value of the property
14 for that assessment year that exceeds \$150,000. The bill
15 establishes a similar provision for industrial property and
16 provides that the assessed value of railway company property
17 shall be determined in the same manner as commercial property.

18 The bill also establishes an annual payment to local
19 governments based on the modified assessment limitations
20 imposed on that portion of the value of commercial and
21 industrial properties that does not exceed \$150,000. For
22 each fiscal year beginning on or after July 1, 2023, there
23 is appropriated from the general fund of the state to the
24 department of revenue the sum of \$125 million to be used for
25 such payments. If an amount appropriated for a fiscal year
26 is insufficient to make all payments, the director of revenue
27 shall prorate the payments to the county treasurers.

28 DIVISION XII — WAGE ASSIGNMENT NOTICE. The bill modifies
29 Code section 421.17B (administrative wage assignment
30 cooperative agreement). Under the bill, the centralized
31 debt collection facility (facility) within the department of
32 revenue may proceed against an obligor if a 20 days' notice
33 of intent has been sent to the obligor notifying the obligor
34 the facility intends to begin a wage assignment action. The
35 bill specifies the 20 days' notice period does not apply if the

1 facility determines the collection of past due amounts would
2 be in jeopardy. After the 20 days' notice period has run,
3 the bill requires the facility to notify the obligor of the
4 initiation of the wage assignment action within two working
5 days of sending the notice to the obligor's employer, and the
6 facility may obtain multiple wage assignments, if the obligor
7 has multiple employers.

8 DIVISION XIII — OUT-OF-STATE RECIPROCAL COLLECTIONS. The
9 bill modifies provisions related to out-of-state reciprocal
10 debt collections. Currently, the provisions are limited to
11 the collection of out-of-state tax debt. The bill expands
12 the types of debt the director is able to collect, and allows
13 the director to enter into an agreement with a department in
14 another state to collect the debts being collected by DOR. The
15 bill allows the director to enter into agreements to collect
16 the debts of another state through DOR. The bill requires the
17 out-of-state debt being collected by DOR to be delinquent and
18 not subject to litigation prior to accepting the collection on
19 such debt.

20 The bill establishes procedures to collect out-of-state debt
21 including procedures for challenging the collection of such
22 debt. The bill allows DOR to collect a fee from the amount of
23 out-of-state debt collected.

24 The bill specifies the DOR may release taxpayer information
25 that otherwise would be confidential when working with an
26 out-of-state department or agency, provided the out-of-state
27 department or agency complies with Iowa confidentiality law.

28 DIVISION XIV — PASS-THROUGH ENTITY TAXATION. The bill
29 changes the term "state partnership representative" to "state
30 pass-through representative" numerous times.

31 The bill modifies certain penalties for pass-through
32 entities that fail to timely file an income return. The
33 provision takes effect upon enactment and applies retroactively
34 to tax years beginning on or after January 1, 2022.

35 The bill permits a pass-through entity filing a composite

1 return that has a nonrefundable income tax credit carryforward
2 amount attributable to the composite return following the
3 close of the entity's composite return for the tax year that
4 began during the 2021 calendar year to allocate those income
5 tax credit carryforward amounts to the pass-through entity's
6 partners, members, beneficiaries, or shareholders in the
7 pass-through entity's tax year that begins during the 2022
8 calendar year.

9 DIVISION XV — INHERITANCE TAX — UNKNOWN HEIRS. Currently,
10 if an heir entitled to an estate interest cannot be found,
11 a tax of 5 percent is paid to the state, until the heir is
12 found, and at such time the correct amount of inheritance tax
13 is recomputed and paid to the state. The bill reduces the
14 inheritance tax on an unknown heir on the same percentage basis
15 the inheritance tax is being reduced in Code section 450.10.
16 The inheritance tax is set to be repealed for decedents dying
17 on or after January 1, 2025.

18 The division applies retroactively to January 1, 2021.

19 DIVISION XVI — NOTICE REQUIREMENTS FOR PUBLICATION OF
20 INTEREST RATES. The bill strikes a provision requiring the
21 director to publish the rate of interest in a newspaper, and
22 substitutes this requirement by allowing for the publication of
23 interest rates on the internet site of DOR.

24 DIVISION XVII — PROPERTY ASSESSMENT APPEAL BOARD —
25 SALARIES. The general assembly periodically establishes salary
26 ranges for certain appointed state officers and authorizes a
27 person (generally the governor) to establish the salaries of
28 those state officers. In 2013, the general assembly amended
29 the most recent salary range legislation (2008 Iowa Acts,
30 chapter 1191) to add members of the property assessment appeal
31 board to salary range 5 (\$73,250 to \$112,070). The bill
32 removes members of the property assessment appeal board from
33 the most recent salary range and provides that the salaries of
34 such members shall be set by the governor and be commensurate
35 with the salary of an administrative law judge.

1 DIVISION XVIII — DUE DATES — HOLIDAYS. The bill creates
2 new Code section 421.9A that establishes more uniformity for
3 references to due dates and holidays of DOR and makes related
4 conforming changes.

5 DIVISION XIX — AVIATION AND MARINE FUEL — CALCULATIONS.
6 The bill specifies the calculations to be used to calculate
7 the amounts to be deposited into the aviation and marine fuel
8 funds.

9 DIVISION XX — INHERITANCE TAX REPEAL — SUBMISSION OF
10 PROPOSED CODE CHANGES. The bill delays by two years the due
11 date of the proposed bill DOR must submit to the general
12 assembly for Code updates relating to the inheritance tax
13 repeal. The bill is now required to be submitted to the
14 general assembly by the 2024 regular session of the 90th
15 general assembly.