HOUSE FILE 683 BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HSB 230)

A BILL FOR

1	An	Act relating to the excise tax imposed on the handling of
2		grain, including by providing for transfer of collected
3		revenue to the grain depositors and sellers indemnity fund,
4		providing for the future elimination of the excise tax,
5		and including effective date and retroactive applicability
6		provisions.
7	BE	IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 428.35, subsection 6, Code 2023, is
2 amended to read as follows:

6. Payment of tax. The tax, when determined, shall be 3 4 entered in the same manner as general property taxes on the tax 5 list of the taxing district, and the proceeds of the collection 6 of the tax shall be distributed to the same taxing units and 7 in the same proportion as the general property tax on the tax 8 list of each taxing district Excise tax moneys collected on 9 grain reported in the statement filing form required to be 10 filed sixty days after January 1, 2023, shall be remitted to 11 the department of revenue as required by the department. The 12 department shall transfer the remitted moneys to the grain 13 depositors and sellers indemnity fund created in section 14 203D.3. All provisions of the law relating to the assessment 15 and collection of property taxes and the powers and duties of 16 the county treasurer, county auditor, and all other officers 17 with respect to the assessment, collection, and enforcement 18 of property taxes apply to the assessment, collection, and 19 enforcement of the excise tax imposed by this section. 20 Sec. 2. Section 428.35, Code 2023, is amended by adding the 21 following new subsections: 22 NEW SUBSECTION. 7. Section no longer applicable. 23 Notwithstanding any provision of this section to the contrary, 24 all of the following apply: 25 a. Grain handled on or after January 1, 2023, otherwise 26 required to be reported on the statement filing form filed 27 sixty days after January 1, 2024, as provided in subsection 3 28 is not subject to the excise tax imposed by subsection 2. 29 b. A statement filing form as described in paragraph "a''" 30 otherwise requiring the reporting of grain handled on or after

32 <u>NEW SUBSECTION</u>. 8. Section repealed. This section is 33 repealed July 1, 2025.

31 January 1, 2023, is not required to be filed.

34 Sec. 3. Section 445.3, subsection 2, Code 2023, is amended 35 to read as follows:

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LSB 2500HV (3) 90 da/ns 1 2. <u>a.</u> The commencement of actions for ad valorem taxes 2 authorized under this section shall not begin until the 3 issuance of a tax sale certificate under the requirements of 4 section 446.19. The commencement of actions for all other 5 taxes authorized under this section shall not begin until ten 6 days after the publication of tax sale under the requirements 7 of section 446.9, subsection 2.

8 <u>b. (1)</u> This subsection does not apply to the collection of 9 ad valorem taxes under section 445.32, and grain handling taxes 10 under section 428.35.

11 (2) (a) This subsection does not apply to the excise tax
12 imposed on grain subject to handling under section 428.35.

13 (b) This subparagraph is repealed July 1, 2025.

14 Sec. 4. IMPLEMENTATION. Section 25B.7 shall not apply to 15 the property tax exemption enacted in this Act.

16 Sec. 5. EFFECTIVE DATE. This Act, being deemed of immediate 17 importance, takes effect upon enactment.

18 Sec. 6. RETROACTIVE APPLICABILITY. The sections of this Act 19 amending section 428.35 apply retroactively to January 1, 2023, 20 for the assessment year beginning January 1, 2022.

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EXPLANATION

22 The inclusion of this explanation does not constitute agreement with 23 the explanation's substance by the members of the general assembly.

BACKGROUND. This bill relates to the grain handling excise tax of one-fourth mill per bushel upon all grain handled. For purposes of the excise tax, "handling or handled" means the receiving of grain at or in each elevator, warehouse, mill, processing plant, or other facility in this state in which it is received for storage, accumulation, sale, processing, or any other purpose. In addition, "grain" means wheat, corn, barley, oats, rye, flaxseed, field peas, soybeans, grain sorghums, spelts, and such other products as are usually stored in grain elevators other than seeds after being processed. The amount of excise tax is calculated on the basis of a statement field by the person handling the grain due sixty days after

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1 the start of the calendar year. The statement records the 2 total number of bushels handled by the person during the prior 3 calendar year. The excise tax is entered on the tax list of the 4 taxing district and revenue collected from the excise tax is 5 distributed to the various taxing authorities within the taxing 6 district in the same manner as general property taxes.

7 BILL'S PROVISIONS. The bill requires excise tax moneys on 8 grain reported in the statement filed 60 days after January 9 1, 2023, for the prior assessment year to be remitted to the 10 department of revenue and transferred to the grain depositors 11 and sellers indemnity fund. The excise tax is no longer 12 assessable for grain handled on or after January 1, 2023, 13 and the statute imposing the tax is repealed July 1, 2025. 14 The bill takes effect upon enactment and is retroactively 15 applicable to January 1, 2022.

17 GRAIN DEPOSITORS AND SELLERS INDEMNITY FUND. A grain 18 dealer or warehouse operator must do business in this state 19 under a license issued by the department of agriculture and 20 land stewardship. A person selling grain to a licensed grain 21 dealer or depositing grain with a licensed warehouse operator 22 may be reimbursed for a loss incurred by the failure of the 23 licensed grain dealer or licensed warehouse operator to honor 24 a contractual obligation regarding the transaction. The 25 indemnity fund is supported by several sources, including a 26 participation fee paid by those grain dealers and warehouse 27 operators applying for or renewing a license and a per-bushel 28 fee paid only by grain dealers.

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