

House File 2095 - Introduced

HOUSE FILE 2095
BY FISHER

A BILL FOR

1 An Act requiring the filing of a tax return when child support
2 obligations are delinquent, and providing for penalties.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

unofficial

1 Section 1. Section 252B.7, subsection 1, Code 2026, is
2 amended by adding the following new paragraph:

3 NEW PARAGRAPH. e. Cases involving violations of section
4 421.27, subsection 8A.

5 Sec. 2. Section 252B.23, subsection 8, Code 2026, is amended
6 to read as follows:

7 8. a. If an obligor does not pay the amount of the
8 arrearage, does not contest the referral, or if following child
9 support services' review and any court hearing child support
10 services or the court does not find a mistake of fact, the
11 arrearages shall be referred to a collection entity. Following
12 the review or hearing, if child support services or the court
13 finds a mistake in the amount of the arrearage, the arrearages
14 shall be referred to the collection entity in the appropriate
15 arrearage amount. For arrearages referred to a collection
16 entity, the obligor shall pay a surcharge equal to a percent
17 of the amount of the support arrearage due as of the date of
18 the referral. The surcharge is in addition to the arrearages
19 and any other fees or charges owed, and shall be enforced by
20 the collection entity as provided under section 252B.5. Upon
21 referral to the collection entity, the surcharge is an automatic
22 judgment against the obligor.

23 b. The director or the director's designee shall notify the
24 department of revenue of an obligor's referral to a collection
25 agency, and shall notify the department of revenue if the
26 obligor's support arrearage is no longer being collected by the
27 collection agency.

28 Sec. 3. Section 331.756, Code 2026, is amended by adding the
29 following new subsection:

30 NEW SUBSECTION. 25. At the request of the attorney general,
31 prosecute violations of section 421.27, subsection 8A.

32 Sec. 4. Section 421.27, Code 2026, is amended by adding the
33 following new subsection:

34 NEW SUBSECTION. 8A. *Failure to make a return by obligor.* In
35 addition to the penalties imposed by this section, an obligor who

1 willfully fails to make a return in violation of section 422.13,
2 subsection 1, paragraph "d", commits a serious misdemeanor.

3 Sec. 5. Section 422.13, subsection 1, paragraphs b and c,
4 Code 2026, are amended to read as follows:

5 b. (1) The net income of a nonresident which is allocated
6 to Iowa pursuant to section 422.8, subsection 2, is one thousand
7 dollars or more for the tax year from sources taxable under
8 this subchapter, unless the nonresident's total net income, as
9 determined under section 422.5, subsection 2 or 3, does not
10 exceed the appropriate dollar amount listed in section 422.5,
11 subsection 2 or 3, upon which tax is not imposed. The portion
12 of a lump sum distribution that is allocable to Iowa is included
13 in net income for purposes of determining if the nonresident's
14 net income allocable to Iowa is one thousand dollars or more.

15 (2) This paragraph does not apply to an obligor subject to
16 paragraph "d", subparagraph (1).

17 c. (1) The total net income, as determined under section
18 422.5, subsection 2 or 3, of a resident of this state is more
19 than the appropriate dollar amount listed in section 422.5,
20 subsection 2 or 3, upon which tax is not imposed.

21 (2) This paragraph does not apply to an obligor subject to
22 paragraph "d", subparagraph (2).

23 Sec. 6. Section 422.13, subsection 1, Code 2026, is amended
24 by adding the following new paragraph:

25 NEW PARAGRAPH. d. (1) The individual is a nonresident with
26 any net income that is allocated to Iowa pursuant to section
27 422.8, subsection 2, from any sources under this subchapter, and
28 who is an obligor that has an unpaid support arrearage at the end
29 of the tax year which has been referred to a collection agency
30 pursuant to section 252B.23, subsection 8.

31 (2) The individual is a resident who is an obligor that has
32 an unpaid support arrearage at the end of the tax year which has
33 been referred to a collection agency pursuant to section 252B.23,
34 subsection 8.

35

EXPLANATION

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

3 This bill requires the filing of a return when child support
4 obligations are delinquent.

5 The bill requires the director of health and human services
6 (HHS) or the director's designee to notify the department of
7 revenue (DOR) when a obligor's child support obligations are
8 delinquent and referred to a collection agency. The bill also
9 requires HHS to notify DOR if the obligor's delinquent child
10 support is no longer being collected by the collection agency.

11 Upon a delinquent child support obligation referral to a
12 collection agency under the bill, an obligor who is a resident of
13 this state is required to file a tax return regardless of whether
14 the obligor's income is under the individual income tax filing
15 thresholds for filing a return in Code section 422.5, if the
16 child support remains delinquent at the end of the tax year. For
17 an obligor who is a nonresident with any income that is allocated
18 to this state, the bill requires the nonresident to file a tax
19 return in this state. Currently, a nonresident is not required
20 to file a return in this state if the income allocated to this
21 state is less than \$1,000.

22 A resident or nonresident obligor who violates the bill by not
23 filing a tax return commits a serious misdemeanor. A serious
24 misdemeanor is punishable by confinement for no more than one
25 year and a fine of at least \$430 but not more than \$2,560.

26 The bill specifies the attorney general or a county attorney,
27 at the request of the attorney general, may prosecute violations
28 of the bill.