

## CHAPTER 170

## TAX EXEMPTIONS FOR ARMED FORCES

H. F. 357

AN ACT to amend section four hundred twenty-seven point one (427.1), subsection seventeen (17), Code 1950, relating to personal tax exemption for United States armed forces members on certain personal property.

*Be It Enacted by the General Assembly of the State of Iowa:*

1 SECTION 1. Section four hundred twenty-seven point one (427.1),  
 2 Code 1950, is amended by adding a new subsection thereto:  
 3 "If any person enters any branch of the armed service of the United  
 4 States in time of national emergency, all personal property used in  
 5 making his livelihood, in excess of three hundred dollars (\$300.00)  
 6 in value, of such person shall be assessed but no tax shall be due if  
 7 such person upon return from service, or in event of his death if his  
 8 executor, administrator or next of kin, executes an affidavit to the  
 9 county assessor that such property was not used in any manner during  
 10 his absence, the tax as assessed thereon shall be waived and no pay-  
 11 ment shall be required."

Approved May 15, 1951.

## CHAPTER 171

## TAXATION OF LOAN AGENCIES

S. F. 328

AN ACT to amend chapter four hundred thirty A (430A), Code 1950, relating to the taxation of loan agencies and by fixing the conditions under which Iowa corporations may elect to be taxed under this chapter, and the basis of taxing such Iowa corporations.

*Be It Enacted by the General Assembly of the State of Iowa:*

1 SECTION 1. Section four hundred thirty A point one (430A.1),  
 2 Code 1950, is hereby amended by inserting after the word "loaned" in  
 3 line thirteen (13) thereof, the words "or invested", and by adding to  
 4 said section four hundred thirty A point one (430A.1) the following:  
 5 "The terms 'loaned' or 'invested' as employed in this section shall have  
 6 the same meaning and effect with respect to loans and investments  
 7 outside the state of Iowa as is hereinafter provided with respect to  
 8 loans and investments within the state of Iowa."

1 SEC. 2. Section four hundred thirty A point three (430A.3), Code  
 2 1950, is hereby amended by adding thereto the following: "The term  
 3 'loans' as used herein shall mean the lending of money to members of  
 4 the general public upon other than real estate security. The term  
 5 'investments' as used herein shall mean the discounting, purchasing,  
 6 or otherwise acquiring notes, mortgages, sales contracts, debentures,  
 7 or any other evidences of indebtedness, based upon other than real  
 8 estate security when such investments are made in connection with  
 9 loans made to members of the general public in the state of Iowa or  
 10 in the course of any operations having as their effect the financing  
 11 of business transactions within the state of Iowa resulting in the

12 incurring of any indebtedness based upon security other than real  
13 estate security."

1 SEC. 3. Section four hundred thirty A point four (430A.4), Code  
2 1950, is hereby amended by striking the period (.) following the word  
3 "Iowa" in line nineteen (19) thereof, and adding thereto the following:  
4 "; provided that no deduction for indebtedness shall be allowed in  
5 excess of eighty per cent (80%) of the amount of capital employed in  
6 the business of making loans or investments within the state of Iowa as  
7 provided by this Act and that in the determination of the indebted-  
8 ness deducted, any and all assets of the company in the form of  
9 accounts receivable, cash on hand, or other capital used or available  
10 for use in connection with loans and investments on other than real  
11 estate security which have not been included in capital, shall be de-  
12 ductible from any such indebtedness for which credit is claimed or  
13 allowed."

1 SEC. 4. Section four hundred thirty A point five (430A.5), Code  
2 1950, is hereby amended by adding thereto the following: "The state  
3 tax commission shall have the power to require the making of a return  
4 by any corporation, individual, partnership, or agency which it deems  
5 to be subject to taxation under the provisions of this Act and in case  
6 of failure or refusal to make such a return, the state tax commission  
7 shall make an assessment based upon the best information it is able  
8 to obtain against any such corporation, individual, partnership, or  
9 agency, and shall certify such assessment as provided by this Act.  
10 Appeals may be taken from the action of the state tax commission in  
11 regard to assessments or orders made by it in connection with this  
12 Act under the same procedure generally, as is provided by section  
13 422.29, Code 1950."

1 SEC. 5. Section four hundred thirty A point seven (430A.7), Code  
2 1950, is hereby repealed and the following is hereby enacted in lieu  
3 thereof:

4 "430A.7. Any corporation incorporated under the laws of the state  
5 of Iowa engaged in the business referred to in Section 430A.1 hereof,  
6 both within and without the state of Iowa and whose loans and invest-  
7 ments outside of the state of Iowa, whether made directly or through  
8 a wholly owned subsidiary, exceeds fifteen per cent (15%) of its total  
9 loans and investments, may by filing a statement or return elect to  
10 be assessed and taxed in the manner and to the extent provided in the  
11 foregoing sections and in each year in which it is so assessed, its  
12 shares of stock, its loans to or capital invested in wholly owned subsidi-  
13 aries described in the next sentence following, and moneys and credits  
14 shall not be assessed under chapter four hundred thirty-one (431) or  
15 otherwise, except as herein provided. In determining the amount of  
16 capital employed within the state of Iowa by a corporation making a  
17 return under this section, there shall not be included therein the  
18 amount of loans to or capital invested in a wholly owned subsidiary  
19 engaged in the business of making loans and investments on other than  
20 real estate security and not incorporated under the laws of Iowa;  
21 provided, however, that any capital employed by any such subsidiary  
22 in the operation of a place of business of making loans or investments  
23 within the state of Iowa as defined by this Act shall be subject to tax

24 as capital employed within the state of Iowa. Any corporation elect-  
25 ing under this section shall notify the local assessor or assessors of the  
26 fact of such election on or before March thirty-first (31st) following."

1 SEC. 6. The provisions of this Act shall be effective upon all assess-  
2 ments made under this Act in the state of Iowa upon returns made for  
3 assessment during the year 1951 and thereafter.

1 SEC. 7. This Act being deemed of immediate importance shall be  
2 in full force and effect from and after its publication in The Clayton  
3 County Press-Journal, a newspaper published at Strawberry Point,  
4 Iowa, and in The Clear Lake Reporter, a newspaper published at Clear  
5 Lake, Iowa.

Approved April 14, 1951.

I hereby certify that the foregoing act was published in The Clayton County Press-  
Journal, Strawberry Point, Iowa, April 19, 1951, and in The Clear Lake Reporter, Clear  
Lake, Iowa, April 19, 1951.

MELVIN D. SYNHORST, *Secretary of State.*

## CHAPTER 172

### GROSS PREMIUM TAX ON INSURANCE

S. F. 62

AN ACT to amend section four hundred thirty-two point one (432.1), Code 1950, relat-  
ing to gross premium tax payable by life insurance companies and associations.

*Be It Enacted by the General Assembly of the State of Iowa:*

1 SECTION 1. Section four hundred thirty-two point one (432.1),  
2 Code 1950, is amended by inserting after the word "excluded" in line  
3 twenty-four (24) thereof the following: "all premiums received from  
4 policies or contracts issued in connection with a pension plan or profit  
5 sharing plan qualified under section 23 (p) or section 165 (a) of the  
6 Federal Internal Revenue Code as now or hereafter amended and".

Approved February 1, 1951.

## CHAPTER 173

### COUNTY CONFERENCE BOARD

S. F. 113

AN ACT to amend section four hundred forty-one point nine (441.9), Code 1950, relat-  
ing to the duties of the county assessor, and to provide for the county assessor to  
be clerk of the county conference board.

*Be It Enacted by the General Assembly of the State of Iowa:*

1 SECTION 1. Section four hundred forty-one point nine (441.9),  
2 Code 1950, is hereby amended by adding thereto the following sub-  
3 section: "The county assessor shall be clerk of the county conference  
4 board created by section four hundred forty-two point one (442.1)".

Approved March 27, 1951.