

5 1. The death, disability, or incompetence of any principal who has  
6 executed a power of attorney in writing other than a power as de-  
7 scribed by section fifteen (15) of this Act, does not revoke or terminate  
8 the agency as to the attorney in fact, agent or other person who, with-  
9 out actual knowledge of the death, disability, or incompetence of the  
10 principal, acts in good faith under the power of attorney or agency.  
11 Any action so taken, unless otherwise invalid or unenforceable, binds  
12 the principal and his heirs, devisees, and personal representatives.

13 2. An affidavit, executed by the attorney in fact or agent stating  
14 that he did not have, at the time of doing an act pursuant to the pow-  
15 er of attorney actual knowledge of the revocation or termination of the  
16 power of attorney, by death, disability or incompetence, is, in the ab-  
17 sence of fraud, conclusive proof of the nonrevocation or nontermina-  
18 tion of the power at that time. If the exercise of the power requires  
19 execution and delivery of any instrument which is recordable, the affi-  
20 davit when properly acknowledged is likewise recordable.

21 3. This section shall not be construed to alter or affect any provision  
22 for revocation or termination contained in the power of attorney.

1 SEC. 17. Sections six hundred thirty-three point six hundred sixteen  
2 (633.616), six hundred thirty-three point six hundred seventeen  
3 (633.617), six hundred thirty-three point six hundred eighteen (633.618),  
4 six hundred thirty-three point six hundred nineteen (633.619), six  
5 hundred thirty-three point six hundred twenty (633.620), and six  
6 hundred thirty-three point six hundred twenty-one (633.621), Code  
7 1975, are repealed.

Approved July 14, 1975

This Act was passed by the G.A. prior to July 1, 1975; see §3.7 of the Code

## CHAPTER 209

### CORPORATE INCOME TAX

#### H. F. 844

AN ACT relating to the filing of consolidated returns for corporation income tax purposes and making the act retroactive.

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

1 SECTION 1. Section four hundred twenty-two point thirty-two  
2 (422.32), Code 1975, is amended by adding the following new subsec-  
3 tions:

4 NEW SUBSECTION. The term "affiliated group" means a group of cor-  
5 porations as defined in section one thousand five hundred four (1504)  
6 (a) of the Internal Revenue Code of 1954.

7 NEW SUBSECTION. The term "unitary business" means a business car-  
8 ried on partly within and partly without a state where the portion of  
9 the business carried on within the state depends on or contributes to  
10 the business outside the state.

1 SEC. 2. Section four hundred twenty-two point thirty-seven  
2 (422.37), Code 1975, is amended by striking the section and inserting in  
3 lieu thereof the following:

4     **422.37 Consolidated returns.** Any affiliated group of corpora-  
5 tions may, not later than the due date for filing its return for the tax-  
6 able year, including any extensions thereof, under rules to be  
7 prescribed by the director, elect, and upon demand of the director shall  
8 be required, to make a consolidated return showing the consolidated  
9 net income of all such corporations and other information as the direc-  
10 tor may require, subject to the following:

11     1. The affiliated group filing under this section shall file a consoli-  
12 dated return for federal income tax purposes for the same taxable year.

13     2. All members of the affiliated group shall join in the filing of an  
14 Iowa consolidated return to the extent they are subject to the tax im-  
15 posed by section four hundred twenty-two point thirty-three (422.33) of  
16 the Code or have operations which constitute a part of the unitary  
17 business of one or more members which are subject to the Iowa tax.

18     3. Members of the affiliated group exempt from taxation by section  
19 four hundred twenty-two point thirty-four (422.34) of the Code shall  
20 not be included in a consolidated return.

21     4. All members of the affiliated group shall use the statutory meth-  
22 od of allocation and apportionment unless the director has granted  
23 permission to all members to use an alternative method of allocation  
24 and apportionment.

25     5. Each member of the affiliated group shall consent to the filing by  
26 specific written authorization at the time the consolidated return is  
27 filed, unless the director requires the filing of a consolidated return.

28     6. The filing of a consolidated return for any taxable year shall re-  
29 quire the filing of consolidated returns for all subsequent taxable years  
30 so long as the filing taxpayers remain members of the affiliated group  
31 unless the director determines that the filing of separate returns will  
32 more clearly disclose the taxable incomes of each member of the affili-  
33 ated group. This determination shall be made after specific request by  
34 the taxpayer for the filing of separate returns.

35     7. The computation of consolidated taxable income for the members  
36 of an affiliated group of corporations subject to tax shall be made in  
37 the same manner and under the same procedures, including all inter-  
38 company adjustments and eliminations, as are required for consolidat-  
39 ing the incomes of affiliated corporations for the taxable year for  
40 federal income tax purposes in accordance with section one thousand  
41 five hundred two (1502) of the Internal Revenue Code of 1954.

1     SEC. 3. The provisions of this Act shall be retroactive to January 1,  
2 1975, for tax years beginning on or after January 1, 1975 and to this  
3 extent the provisions of this Act are retroactive.

Approved July 14, 1975

This Act was passed by the G.A. prior to July 1, 1975; see §3.7 of the Code