

Sec. 10. Section 110.36, Code 1985, is amended to read as follows:

110.36 MANNER OF CONVEYANCE.

No person, except as permitted by law, shall have or carry ~~any~~ a gun in or on ~~any~~ a vehicle on ~~any~~ a public highway, unless ~~such~~ the gun ~~be~~ is taken down or ~~totally~~ contained in a securely fastened case, and the its barrels and magazines thereof ~~be~~ are unloaded.

Sec. 11. NEW SECTION. 110.38 FREE FISHING DAYS.

The commission may designate one period of the year of not more than three days as free fishing days and during that period the residents may fish and lawfully possess fish without a license.

Sec. 12. Section 110.42, Code 1985, is amended to read as follows:

110.42 PENALTIES.

Whoever shall violate any of the provisions A person who violates a provision of this chapter shall be is guilty of a simple misdemeanor and shall be fined not less than ten dollars for each cited offense.

Sec. 13. Section 110.25, Code 1985, is repealed.

Approved May 29, 1986

---

## CHAPTER 1241

### TAXATION

H.F. 2471

**AN ACT** relating to taxation, by amending administrative requirements of taxpayers, taxpayers' representatives, and public and taxing authorities, including nonsubstantive and technical corrections and making certain provisions of the Act retroactive.

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

Section 1. Section 98.13, subsection 2, Code 1985, is amended to read as follows:

2. **ISSUANCE.** The department shall issue state permits to distributors, wholesalers, and cigarette vendors subject to the conditions provided in this division. Cities may issue retail permits to dealers within their respective limits. County boards of supervisors may issue retail permits to dealers in their respective counties, outside of the corporate limits of cities. Upon issuance of a retail permit by a city council or board of supervisors, the council or board shall forthwith certify to the department the action taken.

Sec. 2. Section 98.22, subsection 1, Code 1985, is amended to read as follows:

1. If ~~any~~ a person holding a permit issued by the department under this division, including a retailer permit for railway car, has willfully violated ~~the provisions of section 98.2,~~ the department shall revoke the permit issued to the person upon notice and hearing. If the person violates any other provision of this division, or any rule ~~promulgated~~ adopted under this division, the department may revoke the permit issued to the person, after giving the permit holder an opportunity to be heard upon ten days' written notice stating the reason for the contemplated revocation and the time and place at which the person may appear and be heard. The hearing shall be held in the county of the permit holder's place of business, or in a county in or through which it transacts business. The notice shall be given by mailing a copy by certified mail to the permit holder's place of business as the same it appears on the application for a permit. If, upon hearing, the department finds that the violation has occurred, the department may revoke the permit.

Sec. 3. Section 98.29, Code 1985, is amended to read as follows:

98.29 NOTICE AND APPEAL.

The department shall notify any person assessed pursuant to section 98.28 by sending a written notice of ~~such the~~ determination and assessment by certified mail to the principal place of business of ~~such the~~ person as shown on the person's application for permit, if any, and ~~in case if no such~~ application was filed by ~~such the~~ person, to the person's last known address. Judicial review of action of the department may be sought in accordance with the terms of the Iowa administrative procedure Act and section 422.29.

Sec. 4. Section 98.29, Code 1985, as amended by House File 764, enacted by the Seventy-first General Assembly, 1986 Session, section 8, is amended to read as follows:

98.29 NOTICE AND APPEAL.

The department shall notify any person assessed pursuant to section 98.28 by sending a written notice of the determination and assessment by certified mail to the principal place of business of the person as shown on the person's application for permit, if any, and ~~in case if no~~ application was filed by the person, to the person's last known address. A determination by the department of the amount of tax, penalty, and interest due, or the amount of refund for excess tax paid, is final unless the person aggrieved by the determination appeals to the director for a revision of the determination within thirty days from the postmark date of the notice of determination of tax, penalty, and interest or refund owing. The director shall grant a hearing and upon the hearing, the director shall determine the correct tax, penalty, and interest or refund due and notify the appellant of the decision by certified mail. Judicial review of action of the director may be sought in accordance with the terms of the Iowa administrative procedure Act and section 422.29.

Sec. 5. Section 98.48, subsection 2, Code 1985, is amended to read as follows:

2. ~~Every~~ A hearing conducted under this division shall be preceded by ten days' notice in writing of the subject of the hearing, including, in the case of suspension or revocation, of a license, a statement of the nature of the charges against the licensee. The notice shall be sent by registered mail to the last known address of the licensee or other person involved in the hearing, and the service shall be complete upon mailing. After every hearing the director shall make the director's findings and order in writing. The findings and order shall be filed in the office of the director, and a copy sent by mail or otherwise to the person to whom the notice was directed.

Sec. 6. Section 324.18, Code 1985, is amended to read as follows:

324.18 REFUND PERMIT.

~~No~~ A person ~~may shall not~~ claim a refund under section 324.17 or section 324.21 until the person ~~shall have~~ has obtained a refund permit from the department of revenue ~~and paid the fee therefor~~. A special permit shall be obtained by applicants claiming a refund under the provisions of this chapter on account of motor fuel used for the purpose of operating aircraft or used to blend gasohol. Application for a refund permit shall be made to the department of revenue on a form provided by the department of revenue, shall be certified by the applicant under penalty for false certificate and shall contain among other things, the name, ~~the~~ address, and occupation of the applicant, the nature of the applicant's business, and a sufficient description for identification of the machines and equipment in which is to be used motor fuel for which refund may be claimed under the permit. Each permit shall bear a separate number and each claim for refund shall bear the number of the permit under which it is made. The department of revenue shall keep a permanent record of all permits issued and a cumulative record of the amount of refund claimed and paid under each. ~~A fee of one dollar shall be collected by the department of revenue from each person to whom a refund permit is issued.~~ A refund permit shall continue in effect until it is revoked or until the claimant ~~shall have moved from the county with which the claimant's refund permit is identified~~ becomes invalid.

Sec. 7. Section 324.19, unnumbered paragraph 2, Code 1985, is amended to read as follows:

A person whose refund permit is revoked for cause (~~except nonuse~~) may not obtain another refund permit for a period of one year after the revocation. A refund permit under which no refund is claimed for a period of one year ~~from date of issuance~~ or a refund permit whose holder has moved from the county ~~wherein~~ in which the holder resided at the time of application for said the permit shall be revoked by the department of revenue is invalid subject to reinstatement or issuance of a new permit upon application as provided in section 324.18.

Sec. 8. Section 324.68, unnumbered paragraph 1, Code 1985, is amended to read as follows:

If a licensee files a false report of the data or information required by this chapter, or fails, refuses, or neglects to file a report required by this chapter, or to pay the full amount of fuel tax as required by this chapter, then after ten days' written notice by ~~registered~~ mail directed to the last known address of the licensee setting a time and place at which the licensee may appear and show cause why the license should not be canceled, and if the licensee fails to appear or if upon the hearing it is shown by a preponderance of the evidence that the failure to correctly report or pay was with intent to evade the tax, the appropriate state agency may cancel the license and shall notify the licensee of the cancellation by ~~registered~~ mail to the licensee's last known address.

Sec. 9. Section 384.50, unnumbered paragraph 3, Code 1985, is amended to read as follows:

Not less than fifteen days before the hearing, the clerk shall send a copy of the notice by ~~certified~~ mail to each property owner whose property is subject to assessment for the improvement at the address as shown by the records of the county auditor. If a property is shown to be in the name of more than one owner at the same mailing address, a single notice may be mailed addressed to all owners at that address. Failure to receive a mailed notice is not a defense to the special assessment.

Sec. 10. Section 384.51, unnumbered paragraph 1, Code 1985, is amended to read as follows:

The council shall meet as specified in the published notice, and after hearing all objections and endorsements from property owners and other persons having an interest in the matter, and after considering all filed, written objections, may adopt or amend and adopt the proposed resolution of necessity, or may defer action until a subsequent meeting. A resolution of necessity requires for passage the vote of three-fourths of all the members of the council, or, in cities having but three members of the council, the vote of two members, and where a remonstrance has been filed with the clerk, signed by the owners subject to seventy-five percent of the amount of the proposed assessments for the entire public improvement included in the resolution of necessity, a resolution of necessity requires a unanimous vote of the council.

PARAGRAPH DIVIDED. An amendment which extends the boundaries of a district, increases the amount to be assessed against a lot, or adds additional public improvements, is not effective until an amended plat, schedule, and estimate have been prepared and adopted, a notice published and mailed by ~~certified~~ mail to all affected property owners, and hearing held in the same manner as the original proceedings, or until all affected property owners agree in writing to the change. The adoption of a resolution of necessity is a legislative determination that the improvement is expedient and proper and that property assessed will be specially benefited ~~thereby~~ by the improvement and this determination of the council is conclusive. Ownership of property to be assessed by ~~any~~ an improvement ~~shall~~ does not, except for fraud or bad faith, disqualify a council member from voting on any measure.

Sec. 11. Section 384.56, subsection 3, Code 1985, is amended to read as follows:

3. When any portion of the cost of a public improvement is to be paid by the state under this section, the clerk shall ~~send~~, at the time of publication of the notice required by section 384.50, mail a copy of the notice to the secretary of the executive council by ~~restricted certified~~ mail.

Sec. 12. Section 384.60, unnumbered paragraph 2, Code 1985, is amended to read as follows:

On or before the second publication of the notice, the clerk shall send by certified mail to each property owner whose property is subject to assessment for the improvement, as shown by the records in the office of the county auditor, a copy of the notice. The notice shall also include a statement in substance that assessments may be paid in full or in part without interest within thirty days after the date of the first notice of the final assessment schedule, and thereafter all unpaid special assessments bear interest at the rate specified by the council, but not exceeding that permitted by chapter 74A, computed to the December 1 next following the due dates of the respective installments as provided in section 384.65, subsection 3, and each installment will be delinquent on September 30 following its due date, and will draw additionally the same delinquent interest and the same penalties as ordinary taxes. The notice shall also state substantially that property owners may elect to pay any installment semiannually in advance. If a property is shown by the records to be in the name of more than one owner at the same mailing address, a single notice may be mailed to all owners at that address. Failure to receive a mailed notice is not a defense to the special assessment.

Sec. 13. Section 384.63, unnumbered paragraph 2, Code 1985, is amended to read as follows:

The council shall, by resolution, provide that the deficiencies for the lots specially benefited by a public improvement shall be certified to the county treasurer, who shall record them in a separate book entitled "Special Assessment Deficiencies", and to the appropriate city official charged with the responsibility of issuing building permits, who shall notify the council when a private improvement is subsequently constructed on any lot subject to a deficiency. Certification to the county treasurer shall include a legal description of each lot. The period of amortization for a public improvement for which there are deficiencies shall commence with the adoption of the resolution of necessity and extend for the same period for which installments of assessments for the project are made payable. Deficiencies may be assessed only during the period of amortization, which shall also be certified to the county treasurer and the city official charged with the responsibility of issuing building permits. Certification to the county treasurer shall include a legal description of each lot.

**PARAGRAPH DIVIDED.** When a private improvement is constructed on a lot subject to a deficiency, during the period of amortization, the council shall, by resolution, assess a pro rata portion of the deficiency on that lot, in the same proportion to the total deficiency on that lot as the number of future installments of special assessments remaining to be paid is to the total number of installments of assessments for the project, subject to the twenty-five percent limitation of section 384.62. A deficiency assessment becomes a lien on the property and is payable in the same manner, and subject to the same interest and penalties as the other special assessments. The council shall direct the clerk to certify a deficiency assessment to the county treasurer, and to send a notice of the deficiency assessment by certified mail to each owner, as provided in section 384.60, subsection 5, but publication of the notice is not required.

**PARAGRAPH DIVIDED.** An owner may appeal from the amount of the assessment within thirty days of the date notice is mailed. County officials shall collect a deficiency assessment, commencing in the year following the assessment, in the manner provided for the collection of other special assessments. Upon collection, the county treasurer shall make the appropriate credit entries in the "Special Assessment Deficiencies" book, and shall credit the amounts collected as provided for other special assessments on the same public improvement, or to the city, to the extent that the deficiency has been previously paid from other city funds.

Sec. 14. Section 422.7, subsections 9 and 11, Code Supplement 1985, are amended to read as follows:

9. Subtract the amount of the work incentive programs credit allowable for the taxable year under section 49 or the jobs tax credit allowable for the tax year under section 44B 51 of the Internal Revenue Code of 1954 to the extent that the credit increased federal adjusted gross income.

11. Subtract the amount of the alcohol fuel credit allowable for the tax year under section 44E 40 of the Internal Revenue Code of 1954 to the extent that the credit increased federal adjusted gross income.

Sec. 15. Section 422.12, subsections 2 and 3, Code 1985, are amended to read as follows:

2. A child and dependent care credit equal to ten percent of the qualifying employment-related expenses and subject to the same limitations provided by section 44A 21 of the Internal Revenue Code of 1954.

Married taxpayers electing to file separate returns or filing separately on a combined return must allocate the child and dependent care credit to each spouse in the proportion that each spouse's respective net income bears to the total combined net income. Taxpayers affected by the allocation provisions of section 422.8 shall be permitted a deduction for the credit only in the amount as is fairly and equitably allocable to Iowa under rules prescribed by the director.

3. A political contributions credit equal to five percent of the first one hundred dollars donated as a political contribution as defined in section 41(e) 24(c) of the Internal Revenue Code of 1954. In the case of a married couple filing a joint return, a political contributions credit equal to five percent of the first two hundred dollars donated shall be allowed.

Sec. 16. Section 422.16, subsections 1 and 11, Code 1985, are amended to read as follows:

1. Every withholding agent and every employer as defined in this chapter and further defined in the Internal Revenue Code of 1954, with respect to income tax collected at source, making payment of wages to either a resident employee or employees, or a nonresident employee or employees, working in Iowa, or to a resident employee, shall deduct and withhold from the wages an amount which will approximate the employee's annual tax liability on a calendar year basis, calculated on the basis of tables to be prepared by the department and schedules or percentage rates, based on the wages, to be prescribed by the department. Every employee or other person shall declare to the employer or withholding agent the number of the employee's or other person's personal exemptions and dependency exemptions or credits to be used in applying the tables and schedules or percentage rates; provided that. However, no more greater number of personal or dependency exemptions or credits may be declared by the employee or other person than the number to which the employee or other person is entitled except as allowed under section 3204(m)(1) 3402(m)(1) of the Internal Revenue Code of 1954. The claiming of exemptions or credits in excess of entitlement is a serious misdemeanor.

11. a. Every person or married couple filing a joint return shall make a declaration of estimated tax payments if the person's or their couple's Iowa income tax attributable to income other than wages subject to withholding can reasonably be expected to amount to fifty dollars or more for the taxable year, except that, in the cases of farmers and fishermen, the exceptions provided in the Internal Revenue Code of 1954 with respect to such declarations making estimated payments shall apply. The declaration provided for herein shall be filed on or before the last day of the fourth month of the taxpayer's tax year for which such declaration is filed, in such form as the director may require by regulations. The estimated tax shall be paid in quarterly installments. The first installment shall be paid at the time of filing the declaration on or before the last day of the fourth month of the taxpayer's tax year for which the estimated payments apply. The other installments shall be paid on or before June 30, September 30, and January 31. However, at the election of the person or married couple filing

jointly, any installment of the estimated tax may be paid prior to the date prescribed for its payment. ~~Whenever~~ If a person or married couple filing a ~~joint~~ return ~~have~~ has reason to believe that the person's or ~~their~~ couple's Iowa income tax may increase or decrease, either for purposes of meeting the requirement to file a ~~declaration of~~ make estimated tax ~~payments~~ or for the purpose of increasing or decreasing ~~such~~ declaration, ~~an amended estimate~~ estimated tax payments, shall be filed by the person or them to reflect such increase or decrease in any subsequent estimated Iowa income tax payments accordingly.

b. In the case of persons or married couples filing jointly, the total balance of the tax payable after credits for taxes paid through withholding, as provided in subsection 1 of this section, or through ~~declaration and~~ payment of estimated tax, or a combination of ~~such~~ withholding and ~~declaration of~~ estimated tax payments, as ~~provided herein~~, shall be ~~is~~ due and payable on or before April 30, ~~next~~ following the close of the calendar year, or if the return ~~should~~ is to be made on the basis of a fiscal year, then on or before the last day of the fourth month ~~next~~ following the close of ~~such the~~ fiscal year.

e. ~~The declaration provided for in this section may be filed or amended during the taxable year under regulations prescribed by the director.~~

~~d~~ c. If a taxpayer is unable to make the taxpayer's own ~~declaration~~ estimated tax payments, the ~~declaration~~ payments may be made by a duly authorized agent, or by the guardian or other person charged with the care of the person or property of ~~such the~~ taxpayer.

e d. Any amount of ~~tax paid on a declaration of~~ estimated tax shall be paid is a credit against the amount of tax found payable on a final, completed return, as provided in subsection 9, relating to the credit for the tax withheld against the tax found payable on a return properly and correctly prepared under the ~~provisions of section~~ sections 422.5, to and including section through 422.25, and any overpayment of one dollar or more shall be refunded to the taxpayer and the return shall ~~constitute~~ constitutes a claim for refund for this purpose. Amounts less than one dollar shall ~~not be refunded to the taxpayer only upon written application in accordance with section 422.74, but only if the application is filed within twelve months after the due date for the return.~~ The method provided by the Internal Revenue Code of 1954 for determining what is applicable to the addition to tax for underpayment of the tax payable applies to persons required to ~~file declarations and~~ make payments of estimated tax under this section except the amount to be added to the tax for underpayment of estimated tax shall be ~~is~~ an amount determined at the rate in effect under section 421.7. This addition to tax specified for underpayment of the tax payable is not subject to waiver provisions relating to reasonable cause, ~~except as provided in the Internal Revenue Code of 1954.~~ Underpayment of estimated tax shall be determined in the same manner as provided under the Internal Revenue Code of 1954 and the exceptions ~~therein in the Internal Revenue Code of 1954~~ also apply.

f e. In lieu of claiming a refund, the taxpayer may elect to have the overpayment shown on the taxpayer's final, completed return for the taxable year credited to the taxpayer's tax liability for the following taxable year.

Sec. 17. Section 422.17, Code 1985, is amended to read as follows:

422.17 CERTIFICATE ISSUED BY DEPARTMENT TO MAKE PAYMENTS WITHOUT WITHHOLDING.

Any nonresident whose Iowa income is not subject to section 422.16, subsection 1, in whole or in part, and who elects to be governed by subsection 12 of ~~said~~ that section to the extent that the nonresident ~~makes such~~ declaration and pays the entire amount of tax properly estimated ~~thereunder~~ on or before the last day of the fourth month of the nonresident's tax year, for ~~such the~~ year, may for ~~each such the~~ year of ~~each such the~~ election and ~~such~~ payment, be granted a certificate from the department authorizing each ~~withholding agent, the income from whom the nonresident has included~~ considered in the ~~nonresident's~~ declaration of ~~estimate~~ payment of estimated tax and to the extent ~~such the~~ income is included in ~~such~~

~~declaration of the estimate, to make payments of income to such the nonresident without withholding such tax from such those payments. Withholding agents, whenever such if payments exceed the amount tax liability estimated by such the nonresident upon the nonresident's declaration of estimate, as indicated upon such the certificate, shall proceed to withhold tax in accordance with subsection 12 of section 422.16.~~

Sec. 18. Section 422.23, unnumbered paragraph 2, Code 1985, is amended to read as follows:

The judge of the district court in which the estate of the decedent is probated may, upon application being filed by the executor or administrator setting forth the income received by ~~said the estate~~, fix a time and place for hearing upon ~~said the application~~ and prescribe the notice to be given to the director and may upon hearing determine whether or not the ~~said estate~~ is subject to income tax and, if the facts warrant ~~such a that finding~~, enter an order relieving ~~said the executor or administrator~~ from making an income tax report and order that the ~~said estate~~ is not subject to the payment of income tax. ~~Such The order shall is not become final until thirty days after the same it has been filed with the clerk of the district court and a copy of the order entered by the judge shall be immediately mailed to the director by said the executor or administrator by registered mail and a return filed showing the mailing of the same order.~~

Sec. 19. Section 422.25, subsection 1, Code 1985, is amended to read as follows:

1. Within three years after the return is filed or within three years after the return became due, including any extensions of time for filing, whichever time is the later, the department shall examine it and determine the correct amount of tax, and the amount determined by the department ~~shall be is~~ the tax. However, if the taxpayer omits from income an amount as ~~which will~~, under the Internal Revenue Code of 1954, extend the statute of limitations for assessment of federal tax to six years under the federal law, the period for examination and determination is six years. In addition to the applicable period of limitation for examination and determination, the department may make an examination and determination at any time within six months from the date of receipt by the department of written notice from the taxpayer of the final disposition of any matter between the taxpayer and the internal revenue service with respect to the particular tax year. In order to begin the running of the six-months' period, the notice shall be in writing in any form sufficient to inform the department of the final disposition with respect to that year, and a copy of the federal document showing the final disposition or final federal adjustments shall be attached to the notice.

**PARAGRAPH DIVIDED.** The period for examination and determination of the correct amount of tax is unlimited in the case of a false or fraudulent return made with the intent to evade tax or in the case of a failure to file a return. In lieu of the period of limitation for any prior year for which an overpayment of tax or an elimination or reduction of an underpayment of tax due for that prior year results from the carryback to that prior year of a net operating loss or net capital loss, the period is the period of limitation for the taxable year of the net operating loss or net capital loss which results in the carryback. The burden of proof of additional tax owing under the six-year period, or unlimited period, is on the department. If the tax found due is greater than the amount paid, the department shall compute the amount due, together with interest and penalties as provided in subsection 2, and shall notify the taxpayer by certified mail of the total, which shall be computed as a sum certain if paid on or before the last day of the month in which the notice is postmarked, or on or before the last day of the following month if the notice is postmarked after the twentieth day of any month. The notice shall also inform the taxpayer of the additional interest and penalty which will be added to the total due if not paid on or before the last day of the applicable month.

Sec. 20. Section 422.27, subsection 1, Code Supplement 1985, is amended to read as follows:

1. A final account of a personal representative shall not be allowed by any court until thirty days after written notice is given to the department of the proposed discharge of the personal representative and unless the account shows, and the judge of the court finds, that all taxes imposed by this division upon the personal representative, which have become payable, have been paid, and that all taxes which may become due are secured by bond, deposit, or otherwise. The certificate of the director and the receipt for the amount of the tax certified shall be are conclusive as to the payment of the tax to the extent of the certificate.

Sec. 21. Section 422.28, Code 1985, as amended by House File 764, enacted by the Seventy-first General Assembly, 1986 Session, is amended to read as follows:

422.28 REVISION OF TAX.

A taxpayer may appeal to the director for revision of the tax, interest or penalties assessed at any time within ~~thirty~~ sixty days from the date of the notice of the assessment of tax, additional tax, interest or penalties. The director shall grant a hearing and if, upon the hearing, the director determines that the tax, interest or penalties are excessive or incorrect, the director shall revise them according to the law and the facts and adjust the computation of the tax, interest or penalties accordingly. The director shall notify the taxpayer by registered mail of the result of the hearing and shall refund to the taxpayer the amount, if any, paid in excess of the tax, interest or penalties found by the director to be due, with interest after sixty days from the date of payment by the taxpayer at the rate in effect under section 421.7 for each month or a fraction of a month. The director may, on the director's own motion at any time, abate any portion of tax, interest or penalties which the director determines is excessive in amount, or erroneously or illegally assessed. The director shall prepare quarterly reports, which shall be included in the annual statistical reports required under section 422.75, summarizing each case in which an abatement of tax, interest or penalties was made under this section, but a report shall not disclose the identity of the taxpayer.

Sec. 22. Section 422.33, subsection 4, Code Supplement 1985, is amended to read as follows:

4. In addition to all taxes imposed under this division, there is imposed upon each corporation doing business within the state a state minimum tax for tax preference equal to seventy percent of the state's apportioned share of the federal minimum tax. The state's apportioned share of the federal minimum tax is a percent equal to the ratio of the federal minimum tax on preferences attributable to Iowa to the federal minimum tax on all preferences. The director shall prescribe rules for the determination of the amount of the federal minimum tax on preferences attributable to Iowa which shall be based as much as equitably possible on the allocation and apportionment provisions of subsections 2 and 3. For purposes of this subsection, "federal minimum tax" means the federal minimum tax for tax preferences computed under ~~sections 55 to 58~~ section 56 of the Internal Revenue Code of 1954 for the tax year.

Sec. 23. Section 422.35, subsections 6 and 8, Code 1985, are amended to read as follows:

6. Subtract the amount of the ~~work incentive programs credit~~ credit allowable for the tax year under section 40 or the jobs tax credit allowable for the tax year under section ~~44B~~ 51 of the Internal Revenue Code of 1954 to the extent that the credit increased federal taxable income.

8. Subtract the amount of the alcohol fuel credit allowable for the tax year under section ~~44E~~ 40 of the Internal Revenue Code of 1954 to the extent that the credit increased federal taxable income.

Sec. 24. Section 422.42, unnumbered paragraph 3, Code Supplement 1985, is amended by striking the unnumbered paragraph.



Sec. 25. Section 422.45, subsection 27, paragraph a, subparagraph (1), Code Supplement 1985, is amended to read as follows:

(1) "Insurance company" means an insurer organized or operating under chapters 508, 514, 515, 518, 519, 520 or authorized to do business in Iowa as an insurer and having fifty or more persons employed in this state excluding licensed insurance agents.

Sec. 26. Section 422.53, subsection 5, Code 1985, is amended to read as follows:

5. If the holder of a permit fails to comply with any of the provisions of this division or any orders order or rules rule of the department adopted under this division, the director upon hearing after giving ten days' notice of the time and place of the hearing to show cause why the permit should not be revoked, may revoke the permit. The director shall send notice by mail to a permit holder informing that person of the director's intent to revoke the permit and of the permit holder's right to a hearing on the matter. If the permit holder petitions the director for a hearing on the proposed revocation, after giving ten days' notice of the time and place of the hearing in accordance with section 17A.18, subsection 3, the matter may be heard and a decision rendered. The director may restore permits after revocation. The director shall adopt rules setting forth the period of time a retailer must wait before a permit may be restored or a new permit may be issued. The waiting period shall not exceed ninety days from the date of the revocation of the permit.

Sec. 27. Section 422.57, subsection 1, Code 1985, is amended to read as follows:

1. ~~Any A~~ notice authorized or required under the provisions of this division may be given by mailing the same notice to the person for whom it is intended by certified mail, addressed to ~~such~~ that person at the address given in the last return filed by the person pursuant to the provisions of this division, or if no return has been filed, then to ~~such~~ any address as may be obtainable. The mailing of ~~such~~ the notice shall be is presumptive evidence of the receipt of the same notice by the person to whom addressed. Any period of time which is determined according to the provisions of this division by the giving of notice shall ~~commence~~ commences to run from the date of registration and posting of ~~such~~ the notice.

Sec. 28. Section 422.60, unnumbered paragraph 2, Code 1985, is amended to read as follows:

In addition to all taxes imposed under this division, there is imposed upon each financial institution doing business within the state a state minimum tax for tax preference items equal to seventy percent of the state's apportioned share of the federal minimum tax. The state's apportioned share of the federal minimum tax is a percent equal to the ratio of the federal minimum tax on preferences attributable to Iowa to the federal minimum tax on all preferences. The director shall prescribe rules for the determination of the amount of the federal minimum tax on preferences attributable to Iowa which shall be based as much as equitably possible on the allocation and apportionment provisions of section 422.63. For purposes of this subsection, "federal minimum tax" means the federal minimum tax for tax preferences computed and paid or payable under ~~sections 55 to 58~~ section 56 of the Internal Revenue Code of 1954.

Sec. 29. Section 422.110, unnumbered paragraph 1, Code 1985, is amended to read as follows:

In lieu of the fuel tax refund provided in sections 324.17 to 324.19, each a person or corporation subject to taxation under divisions II or III of this chapter, except ~~those~~ persons or corporations licensed under section 324.4 or 324.36, may elect to receive an income tax credit for tax years beginning on or after January 1, 1975. The person or corporation which elects to receive an income tax credit shall cancel its refund permit obtained under section 324.18 within thirty days after the first day of its tax year or the permit becomes invalid at that time. For the purposes of this section ~~the term,~~ "person" includes a person claiming a tax

credit based upon the person's pro rata share of the earnings from a partnership or corporation which ~~corporation or partnership as a business entity~~ is not subject to a tax under division II or III of this chapter as a partnership or corporation. ~~When~~ If the election to receive an income tax credit has been made, it remains effective for at least one tax year, and for subsequent tax years unless a change is requested and a new refund permit applied for within thirty days after the first day of the person's or corporation's tax year. The income tax credit shall be the amount of the Iowa fuel tax paid on fuel purchased by the person or corporation and used as follows:

Sec. 30. Section 422A.1, unnumbered paragraph 2, Code 1985, is amended to read as follows:

A local hotel and motel tax shall be imposed on January 1, April 1, July 1, or October 1, following the notification of the director of revenue. Once imposed, the tax shall remain in effect at the rate imposed for a minimum of one year. A local hotel and motel tax shall terminate only on March 31, June 30, September 30, or December 31. At least sixty days prior to the tax being effective or prior to a revision in the tax rate, or prior to the repeal of the tax, a city or county shall provide notice by ~~certified~~ mail of such action to the director of revenue.

Sec. 31. Section 423.7, Code 1985, is amended to read as follows:

**423.7 VEHICLES SUBJECT TO REGISTRATION OR ONLY TO THE ISSUANCE OF TITLE.**

The tax imposed upon the use of vehicles subject to registration or subject only to the issuance of a certificate of title shall be paid by the owner of the vehicle to the county treasurer or the state department of transportation from whom the registration receipt or certificate of title is obtained. A registration receipt for a vehicle subject to registration or certificate of title shall not be issued until the tax has been paid. The county treasurer or the state department of transportation shall require every applicant for a registration receipt for a vehicle subject to registration or certificate of title to supply information as the county treasurer or the director deems necessary as to the time of purchase, the purchase price, and other information relative to the purchase of the vehicle. On or before the tenth day of each month the county treasurer or the state department of transportation shall remit to the department the amount of the taxes collected during the preceding month, ~~accompanied by a copy of each registration receipt issued in conjunction with the certificate of title issued for each vehicle.~~

Sec. 32. Section 425.3, unnumbered paragraph 4, Code 1985, is amended to read as follows:

The county auditor shall forward the claims to the board of supervisors. The board shall allow or disallow the claims. If the board disallows a claim, it shall send written notice, by ~~certified~~ mail, to the claimant at the claimant's last known address. The notice shall state the reasons for disallowing the claim for the credit.

Sec. 33. Section 425.33, unnumbered paragraph 1, Code 1985, is amended to read as follows:

If upon petition by a claimant the department of revenue determines that a landlord has increased the claimant's rent primarily because the claimant is eligible for reimbursement under this division, the department of revenue shall request the landlord by ~~certified~~ mail to reduce the rent appropriately.

Sec. 34. Section 425.34, Code 1985, is amended to read as follows:

**425.34 HEARINGS AND APPEALS.**

If the department of revenue orders a landlord to reduce rent to a claimant, then upon the request of the landlord the department of revenue shall hold a prompt hearing of the matter, to be conducted in accordance with the rules of the department. The department of revenue shall give notice of the decision by ~~certified~~ mail to the claimant and to the landlord.

The claimant and the landlord shall have the rights of appeal and review as provided in section 425.31.

Sec. 35. Section 427.1, subsection 26, Code Supplement 1985, is amended to read as follows:

26. REVOKING EXEMPTION. Any taxpayer or any taxing district may make application to the director of revenue for revocation for any exemption, based upon alleged violations of the provisions of this chapter. The director of revenue may also on the director's own motion set aside any exemption which has been granted upon property for which exemption is claimed under this chapter. The director of revenue shall give notice by certified mail to the societies or organizations claiming an exemption upon property, exemption of which is questioned before or by the director of revenue, and any order made by the director of revenue revoking or modifying such an exemption shall be is subject to judicial review in accordance with the terms of the Iowa administrative procedure Act. Notwithstanding the terms of said that Act, petitions for judicial review may be filed in the district court having jurisdiction in the county in which such the property is located, and must be filed within thirty days after any order revoking such an exemption is made by the director of revenue.

Sec. 36. Section 427.6, unnumbered paragraph 4, Code 1985, is amended to read as follows:

The county auditor shall forward the claims to the board of supervisors. The board shall allow or disallow the claims. If the board disallows a claim, it shall send written notice, by certified mail, to the claimant at the claimant's last known address. The notice shall state the reasons for disallowing the claim for the exemption.

Sec. 37. Section 429.1, Code 1985, is amended to read as follows:

429.1 NOTICE OF ASSESSMENT.

The director of revenue shall, at the time of making the assessment of property as provided in chapters 428, 433, 434, 436, 437, and 438, inform the person assessed, by certified mail, of the valuation put upon the taxpayer's property. The notice shall contain a notice of the taxpayer's right of appeal to the state board of tax review as provided in section ~~429.3~~ 429.2.

Sec. 38. Section 435.6, unnumbered paragraph 3, Code 1985, is amended to read as follows:

If the tax due is greater than the amount paid, the department shall compute the amount due, together with interest and penalties as provided in section 435.5, and shall notify the taxpayer by certified mail of the total if paid on or before the last day of the month in which the notice is postmarked.

Sec. 39. Section 437.4, Code 1985, is amended to read as follows:

437.4 ADDITIONAL STATEMENT.

Upon receipt of said the statements from the several companies, the director of revenue shall examine such the statements, and if the director shall deem same deems them insufficient, and that further information is requisite required, the director shall require the company making same the statements to make such other or further statement as the director may desire deems necessary, notifying such the company thereof by certified mail.

Sec. 40. Section 437.5, Code 1985, is amended to read as follows:

437.5 FAILURE TO FURNISH.

In case of the total failure or refusal to make any statement required by sections 437.2 and 437.4 to be made by May 1 in any year, or of failure or refusal to make such other or further statement within thirty days from the time the certified mail notice thereof is received by said the company that the same additional statement is required by the director of revenue, such the company shall forfeit and pay to the state, one hundred dollars for each day the total failure or refusal to make any report is continued beyond the said first day of May of the year in which it is required, or in case of any such other or further report required by the director for each day the same it is delayed beyond thirty days from the receipt of the notice by said the company that same the additional report is required, such. The forfeiture to shall be sued for and recovered in any proper form of action in the name of the state and on relation of the director of revenue of the state, and such the penalty, when collected, shall be paid into the general fund of the state.

Sec. 41. Section 441.65, Code 1985, is amended to read as follows:

**441.65 PLATTING FOR ASSESSMENT AND TAXATION BY AUDITOR.**

~~Whenever~~ If a lot or subdivision of land is owned by two or more persons in severalty, and the description of one or more of the different parts or parcels thereof cannot, in the judgment of the county auditor or the assessor, be made sufficiently certain and accurate for the purposes of assessment and taxation without noting the metes and bounds of the same property, or ~~whenever~~ if the proprietor of any a subdivision of land has sold or conveyed any part thereof of it, or invested the public with any rights therein in it, and has failed to file for record a plat as provided in chapter 409, the county auditor by certified mail shall notify all of the owners by mail, and demand compliance. If the owners fail to execute and file the plat within sixty days after the issuance of such the notice to execute and file said the plat for record, the auditor shall ~~cause~~ make a plat to be made as the auditor deems appropriate in accordance with the provisions of chapter 409. The auditor may contract for the services of a registered land surveyor as necessary to comply with this section.

**PARAGRAPH DIVIDED.** Every conveyance of land in this state shall be is deemed to be a warranty that the description therein contained in the conveyance is sufficiently definite and accurate to enable the auditor to enter the same it on the plat book required to be kept; and ~~when~~. When there is presented for entry on the transfer book any a conveyance in which the description is not sufficiently definite and accurate, the auditor shall note such fact on the deed, with that of the entry for transfer, and shall notify the person presenting it that the land therein is not sufficiently described, and that it must be platted within sixty days thereafter. If the grantor in the conveyance shall neglect neglects for sixty days thereafter to file for record a plat thereof of the property, then the auditor shall proceed as is provided in this section, and ~~cause~~ make the plat to be made in accordance with the provisions of chapter 409 and recorded record the plat in the office offices of the auditor, and the office of the county recorder, and in the office of the assessor.

Sec. 42. Section 443.7, Code 1985, is amended to read as follows:

**443.7 NOTICE.**

Before assessing and listing for taxation any omitted property, the assessor or auditor shall notify by certified mail the person, firm, corporation, or administrator or other person in whose name the property is taxed, to appear before the assessor or auditor at the assessor's or auditor's office within ten days from the time date of said the notice and show cause, if any there be, why such the correction or assessment should not be made.

Sec. 43. Section 447.9, Code 1985, is amended to read as follows:

**447.9 NOTICE OF EXPIRATION OF RIGHT OF REDEMPTION.**

After two years and nine months from the date of sale, or after nine months from the date of a sale made under the provisions of section 446.18, 446.38 or 446.39, the holder of the certificate of purchase may cause to be served upon the person in possession of the real estate, and also upon the person in whose name the real estate is taxed, if the person resides in the county where the land is situated, in the manner provided for the service of original notices, a notice signed by the certificate holder or the certificate holder's agent or attorney, stating the date of sale, the description of the property sold, the name of the purchaser, and that the right of redemption will expire and a deed for the land be made unless redemption is made within ninety days from the completed service of the notice. When the notice is given by a county as a holder of a certificate of purchase the notice shall be signed by the county treasurer, and when given by a city, it shall be signed by the city officer designated by resolution of the council. When the notice is given by the Iowa housing finance authority or a city or county agency holding the property as part of an Iowa homesteading project, it shall be signed on behalf of the agency or authority by one of its officers, as authorized in rules of the agency or authority.

or county agency holding the property as part of an Iowa homesteading project, it shall be signed on behalf of the agency or authority by one of its officers, as authorized in rules of the agency or authority.

PARAGRAPH DIVIDED. Service of the notice shall also be made by certified mail on any mortgagee or assignee of record, whether resident or nonresident of the county, if the mortgagee's or assignee's address is disclosed by the recorded instrument or by a certificate showing the address of the mortgagee or assignee duly filed with the recorder, or having a lien upon the real estate, a vendor of the real estate under a recorded contract of sale, a lessor who has a recorded lease or memorandum of a recorded lease, and any other person who has an interest of record, at the person's last known address, and on the state of Iowa in case of an old-age assistance lien by service upon the state department of human services. The notice shall also be served on any city where the real estate is situated.

Sec. 44. Section 450.58, Code Supplement 1985, is amended to read as follows:

450.58 FINAL SETTLEMENT TO SHOW PAYMENT.

The final settlement of the account of a personal representative shall not be accepted or allowed until thirty days after written notice is given to the department of the proposed discharge of the personal representative and unless it shows, and the court finds, that all taxes imposed by this chapter upon any property or interest in property that is made payable by the personal representative and to be settled by the account, has been paid, and that the receipt of the department of revenue for the tax has been obtained as provided in section 450.64. Any order contravening this section is void.

Sec. 45. Section 450.94, subsection 3, Code Supplement 1985, is amended to read as follows:

3. If the amount paid is greater than the correct tax, penalty, and interest due, the department shall refund the excess, with interest after sixty days from the date of payment at the rate in effect under section 421.7, under the rules prescribed by the director. However, the director shall not allow a claim for refund or credit that has not been filed with the department within three years after the tax payment upon which a refund or credit is claimed became due, or one year after the tax payment was made, whichever time is the later. A determination by the department of the amount of tax, penalty, and interest due, or the amount of refund for excess tax paid, is final unless the person aggrieved by the determination appeals to the director for a revision of the determination within ninety days from the postmark date of the notice of determination of tax, penalty, and interest due or refund owing. The director shall grant a hearing, and upon the hearing the director shall determine the correct tax, penalty, and interest or refund due, and notify the appellant of the decision by certified mail. The decision of the director is final unless the appellant seeks judicial review of the director's decision under section 450.59 within sixty days after the postmark date of the notice of the director's decision.

Sec. 46. Section 450A.2, unnumbered paragraph 1, Code 1985, is amended to read as follows:

A tax is hereby imposed on the transfer of any property, included in a generation skipping transfer occurring at the same time as, or after, the death of the deemed transferor, equal to the amount of the maximum federal credit allowable under section ~~2602(e)5C~~ 2602(c)(5)(B) of the Internal Revenue Code of 1954, for that portion of state estate, inheritance, legacy, or succession tax paid in respect of any property included in the generation skipping transfer.

Sec. 47. Section 451.6, Code 1985, is amended to read as follows:

451.6 PAYMENT OF TAX.

The tax imposed by this chapter shall be paid by the personal representative to the department of revenue within twelve months from the date of on or before the last day of the ninth month after the death of such the decedent, or in case such decedent died more than twelve months prior to April 12, 1929, then within six months after the effective date hereof.

Sec. 48. Section 428A.14, Code 1985, is repealed.

Sec. 49. Sections 434.2, 434.3, 434.4, and 434.5, Code 1985, are repealed.

Sec. 50. Sections 20 and 44 are effective for final reports of personal representatives filed on or after July 1, 1985 and to this extent these sections are retroactive.

Sec. 51. Sections 13, 15, 16, 17, 22, 23, 28, 46, and 48 are retroactive to January 1, 1986 for tax years beginning on or deemed transferors dying on or after January 1, 1986.

Sec. 52. Section 46 is effective for estates of decedents dying on or after July 1, 1986.

Sec. 53. Section 4 is effective January 1, 1987.

Approved May 29, 1986

## CHAPTER 1242

### COMPENSATION OF PUBLIC OFFICIALS

*H.F. 2492*

**AN ACT** relating to compensation for department directors and other public officials by specifying salary ranges, providing for compensation adjustments, and making corresponding amendments to the Code.

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

Section 1. **GENERAL SALARY RANGES — EXCEPTIONS.** The salary ranges in effect for the fiscal year beginning July 1, 1984, and subsequent fiscal years as provided in 1983 Iowa Acts, chapter 205, section 7 for appointed nonelected persons shall apply to all positions held by the appointed nonelected persons or their successors in the executive branch of state government for the fiscal year beginning July 1, 1986, except for the following:

1. Department directors whose salary ranges are specified in section 2 of this Act.
2. Full-time members of the state board of parole who shall be compensated within salary range 4.
3. The industrial commissioner who shall be compensated within salary range 4.
4. The members of the employment appeal board who shall be compensated within salary range 3.

The salary ranges referred to in subsections 2 through 4 mean the salary ranges specified in 1983 Iowa Acts, chapter 205, section 7.

Sec. 2. **DEPARTMENTAL DIRECTOR'S SALARY RANGES.**

1. The salary ranges for department directors are effective for the fiscal year beginning July 1, 1986, and the salary ranges shall remain in effect until otherwise provided by law:

|   | <u>Fiscal Year</u> |                |
|---|--------------------|----------------|
|   | <u>Minimum</u>     | <u>Maximum</u> |
| a. Department director's salary range 1 ..... | \$33,000           | \$44,000       |
| b. Department director's salary range 2 ..... | \$42,000           | \$55,000       |
| c. Department director's salary range 3 ..... | \$48,000           | \$64,000       |

2. The following are department director's salary range 1 positions: department of inspections and appeals, and department of human rights.

3. The following are department director's range 2 positions: department of cultural affairs, department of elder affairs, department of general services, department of public safety, department of public health, department of personnel, department of commerce, department of corrections, and department of employment services.