

9. Except as otherwise provided in this section, this Act, being deemed of immediate importance, takes effect upon enactment.

Approved May 20, 1999

CHAPTER 152

TAX ADMINISTRATION — ADDITIONAL RELATED MATTERS

S.F. 473

AN ACT relating to the administration of the state individual income tax, corporate income tax, sales and use taxes, franchise tax, replacement taxes on electric and natural gas providers, motor fuel taxes, inheritance and estate taxes, property taxes, collection of taxes and debts owed to or collected by the state, and including effective and retroactive applicability date provisions.

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

Section 1. Section 421.17, subsection 34, paragraph c, Code 1999, is amended to read as follows:

c. The director shall establish a formal debt collection policy for use by state agencies which have not established their own policy. Other state agencies may use the collection facilities of the department pursuant to formal agreement with the department. The agreement shall provide that the information provided to the department shall be sufficient to establish the obligation in a court of law and to render it as a legal judgment on behalf of the state. After transferring the file to the department for collection, an individual state agency shall terminate all collection procedures and be available to provide assistance to the department. Upon receipt of the file, the department shall assume all liability for its actions without recourse to the agency, and shall comply with all applicable state and federal laws governing collection of the debt. The department may use a participating agency's statutory collection authority to collect the participating agency's delinquent accounts, charges, fees, loans, taxes, or other indebtedness owed to or being collected by the state. The department has the powers granted in this section regarding setoff from income tax refunds or other accounts payable by the state for any of the obligations transferred by state agencies.

Sec. 2. Section 422.4, subsection 17, paragraph c, Code 1999, is amended by striking the paragraph.

Sec. 3. Section 422.25, subsection 9, Code 1999, is amended by striking the subsection.

Sec. 4. Section 422.32, subsection 2, unnumbered paragraph 1, Code 1999, is amended to read as follows:

"Business income" means income arising from transactions and activity in the regular course of the taxpayer's trade or business; or income from tangible and intangible property if the acquisition, management, and disposition of the property constitute integral parts of the taxpayer's regular trade or business operations; or gain or loss resulting from the sale, exchange, or other disposition of real property or of tangible or intangible personal property, if the property while owned by the taxpayer was operationally related to the taxpayer's trade or business carried on in Iowa or operationally related to sources within Iowa, or the property was operationally related to sources outside this state and to the taxpayer's trade or

business carried on in Iowa; or gain or loss resulting from the sale, exchange, or other disposition of stock in another corporation if the activities of the other corporation were operationally related to the taxpayer's trade or business carried on in Iowa while the stock was owned by the taxpayer. A taxpayer may have more than one regular trade or business in determining whether income is business income.

Sec. 5. Section 422.42, subsections 6 and 18, Code 1999, are amended to read as follows:

6. "Gross taxable services" means the total amount received in money, credits, property, or other consideration, valued in money, from services rendered, furnished, or performed in this state except where ~~such the~~ service is performed on tangible personal property delivered into interstate commerce or is used in processing of tangible personal property for use in ~~taxable~~ retail sales or services and embraced within the provisions of this division. However, the taxpayer may take credit in the taxpayer's report of gross taxable services for an amount equal to the value of services rendered, furnished, or performed when the full value of ~~such these~~ services ~~thereof~~ is refunded either in cash or by credit. Taxes paid on gross taxable services represented by accounts found to be worthless and actually charged off for income tax purposes may be credited upon a subsequent payment of the tax due hereunder, but if any such accounts are thereafter collected by the taxpayer, a tax shall be paid upon the amounts ~~so~~ collected.

18. "Services" means all acts or services rendered, furnished, or performed, other than services performed on tangible personal property delivered into interstate commerce, or services used in processing of tangible personal property for use in ~~taxable~~ retail sales or services, for an "employer" as defined in section 422.4, subsection 3, for a valuable consideration by any person engaged in any business or occupation specifically enumerated in this division. The tax shall be due and collectible when the service is rendered, furnished, or performed for the ultimate user ~~thereof of the services~~.

"Services used in the processing of tangible personal property" includes the reconditioning or repairing of tangible personal property of the type normally sold in the regular course of the retailer's business and which is held for sale.

Sec. 6. Section 422.45, subsection 41, unnumbered paragraph 2, Code 1999, is amended by striking the unnumbered paragraph.

Sec. 7. Section 422.53, subsection 6, Code 1999, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. Persons engaged in selling tangible personal property or performing services shall not be required to obtain or retain a sales tax permit for a place of business at which taxable sales of tangible personal property or taxable performance of services will not occur.

Sec. 8. Section 422.58, subsection 6, Code 1999, is amended by striking the subsection.

Sec. 9. Section 422.68, subsection 4, Code 1999, is amended to read as follows:

4. The department may make photostat, microfilm, electronic, or other photographic copies of records, reports and other papers either filed by the taxpayer or prepared by the department. When ~~such these~~ photostat, electronic, or microfilm copies have been made, the department may destroy ~~such the~~ original records in such manner as prescribed by the director. ~~Such These~~ photostat, electronic, or microfilm copies, when no longer of use, may be destroyed as provided in subsection 3. ~~Such These~~ photostat, microfilm, electronic, or other photographic records shall be admissible in evidence when duly certified and authenticated by the officer having custody and control ~~thereof of them~~.

Sec. 10. Section 422.72, subsection 6, unnumbered paragraph 2, Code 1999, is amended to read as follows:

City or county employees designated to have access to information under this subsection are deemed to be officers and employees of the state for purposes of the restrictions ~~and~~

penalties pursuant to subsection 1 pertaining to confidential information. The department may refuse to enter into a written informational exchange agreement if the city or county does not agree to pay the actual cost of providing the information and the department may refuse to abide by a written informational exchange agreement if the city or county does not promptly pay the actual cost of providing the information or take reasonable precautions to protect the information's confidentiality.

Sec. 11. Section 423.18, subsection 4, Code 1999, is amended by striking the subsection.

Sec. 12. Section 424.17, subsection 4, Code 1999, is amended by striking the subsection.

Sec. 13. Section 425.17, subsections 2, 4, 5, and 6, Code 1999, are amended to read as follows:

2. "Claimant" means either of the following:

a. A person filing a claim for credit or reimbursement under this division who has attained the age of sixty-five years on or before December 31 of the base year, ~~who is a surviving spouse having attained the age of fifty-five years on or before December 31, 1988, or who is totally disabled and was totally disabled on or before December 31 of the base year, and was domiciled in this state during the entire base year,~~ and is domiciled in this state at the time the claim is filed or at the time of the person's death in the case of a claim filed by the executor or administrator of the claimant's estate.

b. A person filing a claim for credit or reimbursement under this division who has attained the age of twenty-three years on or before December 31 of the base year or was a head of household on December 31 of the base year, as defined in the Internal Revenue Code, but has not attained the age or disability status described in paragraph "a", ~~and was domiciled in this state during the entire base year,~~ and is domiciled in this state at the time the claim is filed or at the time of the person's death in the case of a claim filed by the executor or administrator of the claimant's estate, and was not claimed as a dependent on any other person's tax return for the base year.

"Claimant" under paragraph "a" or "b" includes a vendee in possession under a contract for deed and may include one or more joint tenants or tenants in common. In the case of a claim for rent constituting property taxes paid, the claimant shall have rented the property during any part of the base year. In the case of a claim for property taxes due, the claimant shall have occupied the property during any part of the fiscal year beginning July 1 of the base year. If a homestead is occupied by two or more persons, and more than one person is able to qualify as a claimant, the persons may ~~determine among them who will be the claimant each file a claim based upon each person's income and rent constituting property taxes paid or property taxes due. If they are unable to agree, the matter shall be referred to the director of revenue and finance not later than June 1 of each year and the director's decision is final.~~

4. "Homestead" means the dwelling owned or rented and actually used as a home by the claimant during ~~all or part of the base year~~ the period specified in subsection 2, and so much of the land surrounding it including one or more contiguous lots or tracts of land, as is reasonably necessary for use of the dwelling as a home, and may consist of a part of a multidwelling or multipurpose building and a part of the land upon which it is built. It does not include personal property except that a mobile home may be a homestead. Any dwelling or a part of a multidwelling or multipurpose building which is exempt from taxation does not qualify as a homestead under this division. However, solely for purposes of claimants living in a property and receiving reimbursement for rent constituting property taxes paid immediately before the property becomes tax exempt, and continuing to live in it after it becomes tax exempt, the property shall continue to be classified as a homestead. A homestead must be located in this state. When a person is confined in a nursing home, extended-care facility, or hospital, the person shall be considered as occupying or living in the person's homestead if the person is the owner of the homestead and the person maintains

the homestead and does not lease, rent, or otherwise receive profits from other persons for the use of the homestead.

5. "Household" means a claimant, ~~spouse, and any person related to the claimant or spouse by blood, marriage, or adoption~~ and the claimant's spouse if living with the claimant at any time during the base year. "Living with" refers to domicile and does not include a temporary visit.

6. "Household income" means all income of the claimant and the claimant's spouse in a household and actual monetary contributions received from any other ~~household member or nonmember person~~ living with the claimant during their respective twelve-month income tax accounting periods ending with or during the base year.

Sec. 14. Section 425.19, Code 1999, is amended to read as follows:

425.19 CLAIM AND CREDIT OR REIMBURSEMENT.

Subject to the limitations provided in this division, a claimant may annually claim a credit for property taxes due during the fiscal year next following the base year or claim a reimbursement for rent constituting property taxes paid in the base year. The amount of the credit for property taxes due for a homestead shall be paid on ~~February~~ June 15 of each year by the director to the county treasurer who shall credit the money received against the amount of the property taxes due and payable on the homestead of the claimant and the amount of the reimbursement for rent constituting property taxes paid shall be paid to the claimant from the state general fund on or before December 31 of each year.

Sec. 15. Section 425.21, Code 1999, is amended to read as follows:

425.21 SATISFACTION OF OUTSTANDING TAX LIABILITIES.

The amount of any claim for credit or reimbursement payable under this division may be applied by the department of revenue and finance against any tax liability, delinquent accounts, charges, loans, fees, or other indebtedness due the state or state agency that have formal agreements with the department for central debt collection, outstanding on the books of the department against the claimant, or against a spouse who was a member of the claimant's household in the base year.

Sec. 16. Section 425.29, Code 1999, is amended to read as follows:

425.29 FALSE CLAIM — PENALTY.

A person who makes a false affidavit for the purpose of obtaining credit or reimbursement provided for in this division or who knowingly receives the credit or reimbursement without being legally entitled to it or makes claim for the credit or reimbursement in more than one county in the state without being legally entitled to it is guilty of a fraudulent practice. ~~Prosecution under this section shall be brought in the county of residence of the person to be charged.~~ The claim for credit or reimbursement shall be disallowed in full and if the claim has been paid the amount shall be recovered in the manner provided in section 425.27. The director of revenue and finance shall send a notice of disallowance of the claim.

Sec. 17. Section 427.1, subsection 16, Code 1999, is amended to read as follows:

16. REVOKING EXEMPTION. Any taxpayer or any taxing district may make application to the director of revenue and finance for revocation for any exemption, based upon alleged violations of this chapter. The director of revenue and finance 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 and finance shall give notice by mail to the taxpayer or taxing district applicant and to the societies or organizations claiming an exemption upon property, exemption of which is questioned before or by the director of revenue and finance and shall hold a hearing prior to issuing any order for revocation. An order made by the director of revenue and finance revoking or modifying an exemption shall be applicable to the tax year commencing with the tax year in which the application is made to the director of revenue and finance. An order made by the director of

revenue and finance revoking or modifying an exemption is subject to judicial review in accordance with chapter 17A, the Iowa administrative procedure Act. Notwithstanding the terms of that Act, petitions for judicial review may be filed in the district court having jurisdiction in the county in which the property is located, and must be filed within thirty days after any order revoking an exemption is made by the director of revenue and finance.

Sec. 18. Section 427A.12, subsection 6, Code 1999, is amended to read as follows:

6. ~~The amount due each taxing district shall be paid in the form of warrants payable to the respective county treasurers by the director of revenue and finance on May 15 of each fiscal year, taking into consideration the relative budget and cash position of the state resources. For the fiscal year beginning July 1, 1985, and ending June 30, 1986, and for each succeeding~~ For each fiscal year the amount due each taxing district shall be paid in the form of warrants payable to the respective county treasurers by the director of revenue and finance on July 15 and May 15 of that fiscal year, taking into consideration the relative budget and cash position of the state resources. The July 15 payment shall be equal to the amount paid on May 15 of the preceding fiscal year and the payments received shall be an account receivable for each taxing district for the preceding fiscal year. The May 15 payment is equal to one-half of the amount of the additional personal property tax credit payable for the fiscal year. The county treasurer shall pay the proceeds to the various taxing districts in the county.

Sec. 19. Section 435.22, subsection 2, unnumbered paragraph 2, Code 1999, is amended to read as follows:

For purposes of this subsection "income" means income as defined in section 425.17, subsection 7, and "base year" means the calendar year preceding the year in which the claim for a reduced rate of tax is filed. The home reduced rate of tax shall only be allowed on the home in which the claimant is residing at the time ~~in which~~ the claimant is residing at the time of the claimant's death in the case of a claim filed on behalf of a deceased claimant by the claimant's legal guardian, spouse, or attorney, or by the executor or administrator of the claimant's estate.

Sec. 20. Section 435.22, subsection 5, unnumbered paragraph 1, Code 1999, is amended to read as follows:

A claim for credit for mobile home tax due shall not be paid or allowed unless the claim is actually filed with the county treasurer between January 1 and June 1, both dates inclusive, immediately preceding the fiscal year during which the home taxes are due ~~and, with the exception of a claim filed on behalf of a deceased claimant by the claimant's legal guardian, spouse, or attorney, or by the executor or administrator of the claimant's estate, contains an affidavit of the claimant's intent to occupy the home for six months or more during the fiscal year beginning in the calendar year in which the claim is filed.~~ However, in case of sickness, absence, or other disability of the claimant, or if in the judgment of the county treasurer good cause exists, the county treasurer may extend the time for filing a claim for credit through September 30 of the same calendar year. The county treasurer shall certify to the director of revenue and finance on or before November 15 each year the total dollar amount due for claims allowed.

Sec. 21. Section 437A.3, subsection 13, Code 1999, is amended to read as follows:

13. "Local taxing ~~district~~ authority" means a city, county, community college, school district, or other taxing ~~district~~ authority located in this state and authorized to certify a levy on property located within such ~~district~~ authority for the payment of bonds and interest or other obligations of such ~~district~~ authority.

13A. "Local taxing district" means a geographic area with a common consolidated property tax rate.

Sec. 22. Section 437A.3, subsection 19, paragraph a, subparagraph (2), Code 1999, is amended to read as follows:

(2) The natural gas competitive service area, excluding any municipal natural gas competitive service area described in subparagraph (1) and consisting of Sioux county; Plymouth county; Woodbury county; Ida county; Harrison county; Shelby county; Audubon county; Palo Alto county; Humboldt county; Mahaska county; Scott county; Lyon county except Wheeler, Dale, Liberal, Grant, Midland, and Elgin townships; O'Brien county except Union, Dale, Summit, Highland, Franklin, and Center townships; Cherokee county except Cherokee and Pilot townships; Monona county except Franklin township and the south half of Ashton township; Pottawattamie county except Crescent, Hazel Dell, Lake, Garner, Kane, and Lewis townships; Mills county except Glenwood and Center townships; Montgomery county except Douglas, Washington, and East townships; Page county except Valley, Douglas, Nodaway, Nebraska, Harlan, East River, Amity, and Buchanan townships; Fremont county except Green, Scott, Sidney, Benton, Washington, and Madison townships; Brighton and Pleasant townships in Cass county; Sac county except Clinton, Wall Lake, Coon Valley, Levey, Viola, and Sac townships; Newell township in Buena Vista county; Calhoun county except Reading township; Denmark township in Emmet county; Kossuth county except Eagle, Grant, Springfield, Hebron, Swea, Harrison, Ledyard, Lincoln, Seneca, Greenwood, Ramsey, and German townships; Webster county except Roland, Clay, Burnside, Yell, Webster, Gowrie, Lost Grove, Dayton, and Hardin townships; Guthrie county except Grant, Thompson, and Beaver townships; Union township in Union county; Madison county except Ohio and New Hope townships; Warren county except Virginia, Squaw, Liberty, and White Breast townships; Cedar, Union, Bluff Creek, and Pleasant townships in Monroe county; Marion county except Lake Prairie, Knoxville, Summit, and Union townships; Dallas county except Des Moines and Grant townships; Polk county except sections 4, 5, 6, 7, 8, 9, 16, 17, and 18 in Lincoln township and the city of Grimes, and sections 1, 2, 3, 10, 11, 12, 13, 14, and 15 in Union township; Poweshiek, Washington, Mound Prairie, Des Moines, Elk Creek, and Fairview townships in Jasper county; Wright county except Belmond and Pleasant townships; Geneseo township in Cerro Gordo county; Franklin county except Wisner and Scott townships and the city of Coulter; Butler county except Bennezzette, Coldwater, Dayton, and Fremont townships; Floyd county except Rock Grove, Rudd, Rockford, Ulster, Scott, and Union townships; Branford township in Chickasaw county; Bremer county except Frederika, LeRoy, Sumner No. 2, Fremont, Dayton, Maxfield, and Franklin townships; Perry, Washington, Westburg, and Sumner townships in Buchanan county; Black Hawk county except Big Creek township; Fremont township in Benton county; Wapello county except Washington township; Benton and Steady Run townships in Keokuk county; the city of Barnes City in Poweshiek county; Iowa township in Washington county; Johnson county except Fremont township; Linn county except Franklin, Grant, Spring Grove, Jackson, Boulder, and Washington, townships, Monroe township west and north of Otter creek and County Home road, and Otter Creek, Maine, Buffalo, and Fayette, and Clinton townships; Monroe township west and north of Otter Creek to its intersection with County Home road, and north of County Home road in Linn county; the city of Walford in Linn county; Farmington township in Cedar county; Wapsinonoc, Goshen, Moscow, Wilton, and Fulton townships in Muscatine county; and Lee county except Des Moines, Montrose, Keokuk, and Jackson townships.

Sec. 23. Section 437A.3, subsection 28, Code 1999, is amended to read as follows:

28. "Transfer replacement tax" means the excise tax imposed in a competitive service area of a municipal utility which replaces transfers made by the municipal utility in accordance with section 384.89.

Sec. 24. Section 437A.7, subsection 2, paragraph b, Code 1999, is amended by striking the paragraph and inserting in lieu thereof the following:

b. Transmission lines owned by or leased to a lessor when the transmission lines are subject to the replacement transmission tax payable by the lessee or sublessee.

Sec. 25. Section 437A.10, subsection 2, Code 1999, is amended to read as follows:

2. For cause and upon a showing by the director that collection of the tax in dispute is in doubt, the court may order the petitioner to file with the clerk of the district court a bond for the use of the appropriate local taxing ~~districts~~ authorities, with sureties approved by the clerk of the district court, in the amount of the tax appealed from, conditioned upon the performance by the petitioner of any orders of the court.

Sec. 26. Section 437A.14, subsection 4, unnumbered paragraph 1, Code 1999, is amended to read as follows:

Notwithstanding subsections 2 and 3, the chief financial officer of any local taxing ~~district~~ authority and any designee of such officer shall have access to any computations made by the director pursuant to the provisions of this chapter, and any tax return or other information used by the director in making such computations, which affect the replacement tax owed by any such taxpayer.

Sec. 27. Section 437A.14, subsection 5, Code 1999, is amended to read as follows:

5. Local taxing ~~district~~ authority employees are deemed to be officers and employees of the state for purposes of subsection 2.

Sec. 28. Section 437A.15, subsection 7, unnumbered paragraph 2, Code 1999, is amended to read as follows:

The task force shall study the effects of the replacement tax on local taxing authorities, local taxing districts, consumers, and taxpayers and the department of management shall report to the general assembly by January 1 of each year through January 1, 2003, the results of the study and the specific recommendations of the task force for modifications to the replacement tax, if any, which will further the purposes of tax neutrality for local taxing authorities, local taxing districts, taxpayers, and consumers, consistent with the stated purposes of this chapter. The department of management shall also report to the legislative council by November 15 of each year through 2002, the status of the task force study and any recommendations.

Sec. 29. Section 437A.16, Code 1999, is amended to read as follows:

437A.16 ASSESSMENT EXCLUSIVE.

All operating property and all other property that is primarily and directly used in the production, generation, transmission, or delivery of electricity or natural gas ~~owned by or leased to a person~~ subject to ~~taxation under this chapter~~ replacement tax or transfer replacement tax is exempt from taxation except as otherwise provided by this chapter. This exemption shall not extend to taxes imposed under chapters 437, 438, and 468, taxpayers described in section 437A.8, subsection 6, or facilities or property described in section 437A.6, subsection 1, paragraphs "a" through "f", and section 437A.7, subsection 2.

Sec. 30. NEW SECTION. 437A.17A CENTRALLY ASSESSED PROPERTY TAX ADJUSTMENT.

A municipal utility whose property tax assessment for the 1998 assessment year was adjusted by the department of revenue and finance to include depreciation and whose property tax assessment for the 1997 assessment year did not include depreciation in determining its assessment shall be entitled to file a property tax adjustment form provided by the department. The tax adjustment form shall be filed by July 1, 1999. The tax adjustment form shall include an adjusted centrally assessed property tax computation determined by multiplying the centrally assessed property tax which was payable in the fiscal year beginning July 1, 1998, based upon valuation determined for the 1997 assessment year allocated to electric service and natural gas service by the percentage of adjustment for depreciation made by the department for the 1998 assessment year. The adjusted centrally assessed

property tax allocated to electric service and natural gas service shall be used to determine the replacement delivery tax rates in accordance with sections 437A.4 and 437A.5.

Sec. 31. Section 437A.19, subsection 2, unnumbered paragraph 4, Code 1999, is amended to read as follows:

Nothing in this chapter shall be interpreted to authorize local taxing ~~districts~~ authorities to exclude from the calculation of levy rates the adjusted assessed value of taxpayer property reported to county auditors pursuant to this subsection.

Sec. 32. Section 450.1, Code 1999, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. "Real estate or real property" for the purpose of appraisal under this chapter means real estate which is the land and appurtenances, including structures affixed thereto.

Sec. 33. Section 450.27, Code 1999, is amended to read as follows:
450.27 COMMISSION TO APPRAISERS.

When an appraisal of real estate is requested by the department of revenue and finance, as provided in section 450.37, or is otherwise required by this chapter, the clerk shall issue a commission to the appraisers, who shall fix a time and place for appraisal, except that if the only interest that is subject to tax is a remainder or deferred interest upon which the tax is not payable until the determination of a prior estate or interest for life or term of years, the clerk shall not issue the commission until the determination of the prior estate, except at the request of the department of revenue and finance when the parties in interest seek to remove an inheritance tax lien. When valuing the real estate for purposes of inheritance tax, an appraiser does not have the jurisdiction to determine what property or partial interests may or may not be subject to tax. Whole interests in the property should be appraised and the question of the actual property or partial interest subject to inheritance tax is to be determined by means of the administrative procedures pursuant to section 450.94. All joint property that is to be appraised should be listed at its full market value. Long-term leases are not considered in determining the value of property when being appraised.

Sec. 34. Section 450.37, subsection 2, unnumbered paragraph 1, Code 1999, is amended to read as follows:

Fair market value of real estate in the ordinary course of trade shall be established by agreement, including an agreement to accept the values as finally determined for federal estate tax purposes. The agreement shall be between the department of revenue and finance, the personal representative, and the persons who have an interest in the property.

Sec. 35. Section 452A.74, subsection 8, unnumbered paragraph 2, Code 1999, is amended to read as follows:

A person found guilty of an offense specified in this section is guilty of a fraudulent practice. ~~For purposes of determining the place of trial, the situs of an offense specified in this section is in the county of the residence of the person charged with the offense. However, if the person is a nonresident or the person's residence cannot be determined, the situs of the offense is in Polk county.~~ Prosecution for an offense specified in this section shall be commenced within six years following its commission.

Sec. 36. Section 452A.75, unnumbered paragraph 2, Code 1999, is amended to read as follows:

~~In determining the place of trial, the situs of an offense in this section is in the county of the residence of the person charged with the offense. However, if the person is a nonresident or the person's residence cannot be determined, the situs of the offense is in Polk county.~~ Prosecution for an offense specified in this section shall be commenced within six years following its commission.

Sec. 37. Section 803.3, Code 1999, is amended by adding the following new subsection:
NEW SUBSECTION. 6. a. If a person is charged with a violation of the tax laws arising out of individual tax liability, venue is in the county of residence of the person charged with the offense, unless the person is a nonresident of this state or the residence of the person cannot be established, in which event venue is in Polk county.

b. If a person is charged with a violation of the tax laws arising out of a business, venue is in any county where business was conducted. If a specific county cannot be established as a situs, venue is in Polk county.

c. If a person is charged with a violation of section 453B.12, venue is in the county of the residence of the person charged with the offense or the county in which the drugs were found.

d. If a person is charged with a violation of the tax laws in which venue is set under multiple provisions of this section, venue is in any county in which one of the charges may be prosecuted.

Sec. 38. 1998 Iowa Acts, chapter 1194, section 38, is amended by adding the following new subsection:

NEW SUBSECTION. 9. Notwithstanding subsections 1 through 8, a municipal utility shall report to the director its centrally assessed property tax allocated to electric service and its centrally assessed property tax allocated to natural gas service for the 1997 assessment year only.

Sec. 39. Section 427A.14, Code 1999, is repealed.

Sec. 40. **EFFECTIVE AND APPLICABILITY DATES.**

1. Section 4 of this Act, amending section 422.32, is retroactive to January 1, 1999, for tax years beginning on or after that date.

2. Sections 21 through 29, 31, and 38 of this Act, amending sections related to the replacement taxes on electricity and natural gas providers, take effect July 1, 1999.

3. Section 30 of this Act, establishing new section 437A.17A, being deemed of immediate importance, takes effect upon enactment.

4. Sections 32 through 34 of this Act, amending sections 450.1, 450.27, and 450.37, take effect July 1, 1999, for estates of decedents dying on or after that date.

5. Except as otherwise provided in this section, this Act, being deemed of immediate importance, takes effect upon enactment.

Approved May 20, 1999

CHAPTER 153

MISDEMEANOR CLASSIFICATIONS AND PENALTIES — OWI REVOCATIONS

S.F. 189

AN ACT to change the penalty for and to reclassify certain misdemeanors.

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

Section 1. Section 123.47, subsection 3, Code 1999, is amended to read as follows:

3. A person who is under legal age, other than a licensee or permittee, who violates this section regarding the purchase of or attempt to purchase alcoholic liquor, wine, or beer, or possessing or having control of alcoholic liquor, wine, or beer, commits a simple misdemeanor