

## CHAPTER 110

### ADMINISTRATION OF INCOME, SALES AND USE, EXCISE, AND PROPERTY TAXES AND ENVIRONMENTAL SURCHARGES

S.F. 432

**AN ACT** relating to the administration of the tax and related laws of the department of revenue, including administration of income taxes, sales and use and excise taxes, an environmental protection charge, and property taxes, and including effective date and retroactive applicability provisions.

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

#### DIVISION I INCOME TAXES

Section 1. Section 422.25, subsection 1, paragraph b, Code 2013, is amended to read as follows:

b. 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. 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 mail a notice of assessment to the taxpayer and, if applicable, to the taxpayer's authorized representative of the total, which shall be computed as a sum certain if paid on or before, with interest computed to the last day of the month in which the notice is dated, or on or before the last day of the following month if the notice is dated 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.~~

#### DIVISION II SALES TAXES

Sec. 2. Section 423.37, subsection 2, Code 2013, is amended to read as follows:

2. If a return required by this subchapter is not filed, or if a return when filed is incorrect or insufficient ~~and the maker fails to file a corrected or sufficient return within twenty days after the same is required by notice from the department,~~ the department shall determine the amount of tax due from information as the department may be able to obtain and, if necessary, may estimate the tax on the basis of external indices, such as number of employees of the person concerned, rentals paid by the person, stock on hand, or other factors. The determination may be made using any generally recognized valid and reliable sampling technique, whether or not the person being audited has complete records, as mutually agreed upon by the department and the taxpayer. The department shall give notice of the determination to the person liable for the tax. The determination shall fix the tax unless the person against whom it is assessed shall, within sixty days after the giving of notice of the determination, apply to the director for a hearing or unless the taxpayer contests the determination by paying the tax, interest, and penalty and timely filing a claim for refund. At the hearing, evidence may be offered to support the determination or to prove that it is incorrect. After the hearing the director shall give notice of the decision to the person liable for the tax.

DIVISION III  
ENVIRONMENTAL PROTECTION CHARGE

Sec. 3. Section 424.10, subsection 2, paragraph a, Code 2013, is amended to read as follows:

a. If a return required by this chapter is not filed, or if a return when filed is incorrect or insufficient ~~and the maker fails to file a corrected or sufficient return within twenty days after the return is required by notice from the department~~, the department shall determine the amount of charge due from information as the department may be able to obtain and, if necessary, may estimate the charge on the basis of external indices or factors. The department shall give notice of the determination to the person liable for the charge. The determination shall fix the charge unless the person against whom it is assessed shall, within sixty days after the date of the notice of the determination, apply to the director for a hearing or unless the person against whom it is assessed contests the determination by paying the charge, interest, and penalty and timely filing a claim for refund. At the hearing evidence may be offered to support the determination or to prove that it is incorrect. After the hearing the director shall give notice of the decision to the person liable for the charge.

DIVISION IV  
PROPERTY TAX

Sec. 4. Section 421.17, subsection 2, Code 2013, is amended by adding the following new paragraph:

NEW PARAGRAPH. d. To facilitate uniformity and equalization of assessments throughout the state of Iowa and to facilitate transfers of funds to local governments, the director may use geographic information system technology and may require assessing authorities and local governments that have adopted compatible technology to provide information to the department electronically using electronic geographic information system file formats.

Sec. 5. Section 441.5, subsection 1, Code 2013, is amended to read as follows:

1. For the purpose of examining and certifying candidates for the positions of assessor and deputy assessor, the director of revenue shall prepare ~~and administer a written~~ an examination and provide for an examination process. ~~The examinations shall be administered twice each year in the city of Des Moines. Notification of the time, place, and date of the examinations shall be mailed to each city and county assessor, county auditor and chairperson of each city and county conference board~~ The director shall approve one or more examination locations and shall make a list of the approved locations available to applicants. Each applicant shall select an examination location from the list of approved locations. The director shall notify applicants of the date and time of the examination at least thirty days prior to the date of the examination.

Sec. 6. Section 441.5, subsection 4, Code 2013, is amended to read as follows:

4. The director of revenue shall grade the examination taken. The director shall notify, ~~in writing,~~ each applicant of the score attained by the applicant on the examination. An individual who attains a score of seventy percent or greater on the examination is eligible to be certified by the director of revenue as a candidate for any assessor position. Any person who passes the examination and who possesses at least two years of appraisal related experience as determined by the director of revenue shall be granted regular certification and become eligible for appointment to a six-year term as assessor. Any person who passes the examination but who lacks such experience shall be granted temporary certification, and shall be eligible for a provisional appointment as assessor.

DIVISION V  
EDUCATIONAL INSTITUTION PROPERTY TAX EXEMPTION

Sec. 7. EDUCATIONAL INSTITUTION PROPERTY TAX EXEMPTION — FILING. Notwithstanding the requirement for the filing of a statement claiming the property tax exemption by February 1 as provided in section 427.1, subsection 9, for the assessment year beginning January 1, 2013, the statement claiming the exemption under section 427.1, subsection 9, for property owned by an educational institution as part of its endowment fund that was acquired by the educational institution from a governmental entity after January 1, 2012, and that is located in a county having a population of at least two hundred thousand but not more than two hundred fifty thousand according to the 2010 federal decennial census, shall be filed not later than thirty days following the effective date of this division of this Act.

Sec. 8. EFFECTIVE UPON ENACTMENT. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

Sec. 9. RETROACTIVE APPLICABILITY. This division of this Act applies retroactively to January 1, 2013, for assessment years beginning on or after that date.

Approved May 16, 2013