

CHAPTER 151

TAXATION AND TAX LAW ADMINISTRATION — MISCELLANEOUS CHANGES

S.F. 608

AN ACT relating to the administration of the tax and related laws by the department of revenue by requiring composite returns for pass-through entities, restricting public disclosure of certain information, providing penalties, and including applicability provisions.

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

DIVISION I

ADMINISTRATION, PENALTIES, AND CANCELLATION OF UNUSED PERMITS

Section 1. [Section 421.17, subsection 13](#), Code 2021, is amended by striking the subsection.

Sec. 2. [Section 421.27](#), Code 2021, is amended to read as follows:

421.27 Penalties.

1. ~~Failure to timely file a return or deposit form.~~

a. If a person fails to file a return with the department on or before the due date, ~~a return or deposit form~~ there shall be added to the tax ~~shown due or required to be shown due~~ remaining unpaid by the due date a penalty of ~~ten~~ five percent of the remaining unpaid tax shown due or required to be shown due.

b. In the case of a specified business with no tax ~~shown due or required to be shown due~~ that fails to timely file an income return, the specified business shall pay the greater of the following penalty amounts:

(1) Two hundred dollars.

(2) An amount equal to ~~ten~~ five percent of the imputed Iowa liability of the specified business, not to exceed twenty-five thousand dollars.

c. The penalty, if assessed pursuant to paragraph "a" or "b", shall be in addition to any other penalty provided by law.

d. The penalty, if assessed pursuant to paragraph "a" or "b", shall be waived by the department upon a showing by the taxpayer of any of the following conditions:

(1) An amount of tax greater than zero is ~~required to be shown due~~ and at least ninety percent of the tax ~~required to be shown due~~ has been paid by the due date of the tax.

(2) ~~(a) Those taxpayers who are~~ A taxpayer who is required to file a monthly or quarterly returns, or monthly or semimonthly deposit forms return may have one late return or deposit form one late payment within a three-year period.

(b) If the taxpayer receives a waiver of a penalty under this subparagraph, the taxpayer must make timely filings and payments for three years prior to being eligible for receiving another waiver under this subparagraph. If the taxpayer receives a waiver under this subparagraph, the waiver shall apply to penalties assessed under [this subsection](#) and [subsection 2](#).

(c) The use of any other penalty exception will shall not count as a late return or deposit form late payment for purposes of this exception receiving a waiver by the taxpayer under this subparagraph.

(3) The death of a taxpayer, death of a member of the immediate family of the taxpayer, or death of the person directly responsible for filing the return and paying the tax, when the death interferes with timely filing of a return or timely payment of tax.

(4) The onset of serious, long-term illness or hospitalization of the taxpayer, of a member of the immediate family of the taxpayer, or of the person directly responsible for filing the return and paying the tax when such illness or hospitalization interferes with the timely filing of a return or timely payment of tax.

(5) Destruction of records by fire, flood, or other act of God when the destruction interferes with the timely filing of a return or timely payment of tax.

(6) The taxpayer presents proof that the taxpayer relied upon applicable, documented, written advice specifically made to the taxpayer, to the taxpayer's preparer, or to an association representative of the taxpayer from the department, state department of transportation, county treasurer, or federal internal revenue service, whichever is appropriate, that the reliance was the direct cause of the failure to file or failure to pay, and that the advice has not been superseded by a court decision, ruling by a quasi-judicial body, or the adoption, amendment, or repeal of a rule or law.

(7) Reliance upon results in a previous audit was a direct cause for the failure to file or the failure to pay where the previous audit expressly and clearly addressed the issue and the previous audit results have not been superseded by a court decision, or the adoption, amendment, or repeal of a rule or law.

(8) Under rules prescribed by the director, the taxpayer presents documented proof of substantial authority to rely upon a particular position or upon proof that all facts and circumstances are disclosed on a return or deposit form.

(9) The return, deposit form, or payment is timely, but erroneously, mailed with adequate postage to the internal revenue service, another state agency, or a local government agency and the taxpayer provides proof of timely mailing with adequate postage.

(10) The tax has been paid by the wrong licensee and the payments were timely remitted to the department for one or more tax periods prior to notification by the department.

(11) The failure to file was discovered through a sanctioned self-audit program conducted by the department.

(12) If the availability of funds in payment of tax required to be made through electronic funds transfer is delayed and the delay of availability is due to reasons beyond the control of the taxpayer. "Electronic funds transfer" means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, that is initiated through an electronic terminal telephone, computer, magnetic tape, or similar device for the purpose of ordering, instructing, or authorizing a financial institution to debit or credit an account.

~~(13) The failure to file a timely inheritance tax return resulting solely from a disclaimer that required the personal representative to file an inheritance tax return. The penalty shall be waived if such return is filed and any tax due is paid within the later of nine months from the date of death or sixty days from the delivery or filing of the disclaimer pursuant to section 633E.12.~~

(14) That an Iowa inheritance tax return is filed for an estate within the later of nine months from the date of death or sixty days from the filing of a disclaimer by the beneficiary of the estate refusing to take the property or right or interest in the property.

~~2. Failure to timely pay the tax shown due, or the tax required to be shown due, with the filing of a return or deposit form. If a person fails to pay the tax shown due or required to be shown due, on a return or deposit form on or before the due date, there shall be added to the tax shown due or required to be shown due remaining unpaid by the due date a penalty of five percent of the unpaid tax due. The penalty shall be in addition to any other penalty provided by law. The penalty, if assessed, shall be waived by the department upon a showing by the taxpayer of any of the following conditions:~~

~~a. At least ninety percent of the tax required to be shown due has been paid by the due date of the tax. Any reason listed under subsection 1, paragraph "d", except subsection 1, paragraph "d", subparagraph (11).~~

~~b. The taxpayer voluntarily files an amended return and pays all tax shown to be due on the return prior to any contact by the department, except under a sanctioned self-audit program conducted by the department.~~

~~c. (1) Except in the case of a final federal partnership adjustment governed by subparagraph (2), the taxpayer voluntarily files an amended return which includes a copy of the federal document showing the final disposition or final federal adjustments and pays any additional Iowa tax due within one hundred eighty days of the final determination date of the federal government's audit. For purposes of this subparagraph, "final determination date" means the same as defined in section 422.25.~~

(2) (a) In the case of a final federal partnership adjustment arising from a partnership level audit, with respect to the audited partnership or a direct partner or indirect partner of the audited partnership, the audited partnership, direct partner, or indirect partner voluntarily

and timely complies with its reporting and payment requirements under [section 422.25A, subsection 4 or 5](#).

(b) As used in this subparagraph, all words and phrases defined in [section 422.25A](#) shall have the same meaning given them by that section.

~~d. The taxpayer presents proof that the taxpayer relied upon applicable, documented, written advice specifically made to the taxpayer, to the taxpayer's preparer, or to an association representative of the taxpayer from the department, state department of transportation, county treasurer, or federal internal revenue service, whichever is appropriate, that has not been superseded by a court decision, ruling by a quasi-judicial body, or the adoption, amendment, or repeal of a rule or law.~~

~~e. Reliance upon results in a previous audit was a direct cause for the failure to pay the tax required to be shown due where the previous audit expressly and clearly addressed the issue and the previous audit results have not been superseded by a court decision, or the adoption, amendment, or repeal of a rule or law.~~

~~f. Under rules prescribed by the director, the taxpayer presents documented proof of substantial authority to rely upon a particular position or upon proof that all facts and circumstances are disclosed on a return or deposit form.~~

~~g. The return, deposit form, or payment is timely, but erroneously, mailed with adequate postage to the internal revenue service, another state agency, or a local government agency and the taxpayer provides proof of timely mailing with adequate postage.~~

~~h. The tax has been paid by the wrong licensee and the payments were timely remitted to the department for one or more tax periods prior to notification by the department.~~

~~i. That an Iowa inheritance tax return is filed for an estate within the later of nine months from the date of death or sixty days from the filing of a disclaimer by the beneficiary of the estate refusing to take the property or right or interest in the property.~~

3. Audit and examination deficiencies. If any person fails to pay the tax required to be shown due with the filing of a return or deposit and the department discovers the underpayment, there shall be added to the tax required to be shown due a penalty of five percent of the unpaid tax required to be shown due, which shall be in lieu of the penalty in [subsection 2](#). The penalty, if assessed, shall be waived by the department upon a showing by the taxpayer of any of the following conditions:

a. At least ninety percent of the tax required to be shown due has been paid by the due date.

b. The taxpayer presents proof that the taxpayer relied upon applicable, documented, written advice specifically made to the taxpayer, to the taxpayer's preparer, or to an association representative of the taxpayer from the department, state department of transportation, county treasurer, or federal internal revenue service, whichever is appropriate, that the reliance was the direct cause for the failure to pay, and that the advice has not been superseded by a court decision, ruling by a quasi-judicial body, or the adoption, amendment, or repeal of a rule or law.

c. Reliance upon results in a previous audit was a direct cause for the failure to pay the tax shown due or required to be shown due where the previous audit expressly and clearly addressed the issue and the previous audit results have not been superseded by a court decision, or the adoption, amendment, or repeal of a rule or law.

d. Under rules prescribed by the director, the taxpayer presents documented proof of substantial authority to rely upon a particular position or upon proof that all facts and circumstances are disclosed on a return or deposit form.

4. Willful failure to file or deposit pay.

a. (1) In case of willful failure to file a return or deposit form with the intent to evade tax or a filing requirement, willful failure to pay with the intent to evade tax, or in case of willfully filing a false return or deposit form with the intent to evade tax, in lieu of the penalties otherwise provided in [this section](#), there shall be added to the tax remaining unpaid by the due date a penalty of seventy-five percent shall be added to the amount shown due or required to be shown as tax on the return or deposit form of the unpaid tax.

(2) In case of a willful failure by a specified business to file an income return with no tax shown due or required to be shown due with intent to evade a filing requirement, or in case of willfully filing a false income return with no tax shown due or required to be shown due

with the intent to evade reporting of Iowa-source income, the penalty imposed shall be the greater of the following amounts:

(a) One thousand five hundred dollars.

(b) An amount equal to seventy-five percent of the imputed Iowa liability of the specified business.

~~(3) If penalties are applicable for failure to file a return or deposit form and failure to pay the tax shown due or required to be shown due on the return or deposit form, the penalty provision for failure to file shall be in lieu of the penalty provisions for failure to pay the tax shown due or required to be shown due on the return or deposit form, except in the case of willful failure to file a return or deposit form or willfully filing a false return or deposit form with intent to evade tax.~~

b. The penalties imposed under [this subsection](#) are not subject to waiver.

5. *Failure to remit on extension.* If a person fails to remit at least ninety percent of the tax ~~required to be shown due~~ by the time an extension for further time to file a return is made, there shall be added to the tax ~~shown due or required to be shown due~~ a penalty of ten percent of the unpaid tax due.

6. *Liability — fraudulent practice.* A person who makes an erroneous application for refund, credit, reimbursement, rebate, or other payment shall be liable for any overpayment received or tax liability reduced plus interest at the rate in effect under [section 421.7](#).

a. In addition, a person commits a fraudulent practice and is liable for a penalty equal to seventy-five percent of the refund, credit, exemption, reimbursement, rebate, or other payment or benefit being claimed if the person does any of the following:

(1) Willfully makes a false or frivolous application for refund, credit, exemption, reimbursement, rebate, or other payment or benefit with intent to evade tax or with intent to receive a refund, credit, exemption, reimbursement, rebate, or other payment or benefit, to which the person is not entitled.

(2) Willfully submits any false information, document, or document containing false information in support of an application for refund, credit, exemption, reimbursement, rebate, or other payment or benefit with the intent to evade tax or with intent to receive a refund, credit exemption, reimbursement, rebate, or other payment or benefit, to which the person is not entitled.

(3) Willfully submits with any false information, document, or document containing false information in support of an application for refund with the intent to evade tax or with intent to receive a refund, credit, exemption, reimbursement, rebate, or other payment benefit, to which the person is not entitled.

b. Payments, penalties, and interest due under [this subsection](#) may be collected and enforced in the same manner as the tax imposed.

c. Penalties imposed under [this subsection](#) are not subject to waiver.

7. *Failure to use required form or manner.* If a person fails to remit payment of taxes in the form or manner required by the rules of the director, there shall be added to the amount of the tax a penalty of five percent of the amount of ~~tax shown due or required to be shown due~~ the payment remitted in the incorrect form or manner not to exceed five hundred dollars per instance of incorrect form or manner of payment. The penalty shall be in addition to any other penalty provided by law. The penalty imposed by [this subsection](#) shall be waived if the taxpayer did not receive notification of the requirement to remit tax payments electronically or if the electronic transmission of the payment was not in a format or by means specified by the director and the payment was made before the taxpayer was notified of the requirement to remit tax payments electronically.

8. *Additional penalty.* In addition to the penalties imposed by [this section](#), if a taxpayer fails to file a return within ninety days of written ~~notice demand~~ issued by the department pursuant to the rules implementing [this subsection](#) that the taxpayer is required to do so, there shall be added to the amount ~~shown due or required to be shown due~~ a penalty in the amount of one thousand dollars. The penalty shall be waived by the department upon a showing of good reason as defined by the department by rule.

9. *Definitions.* As used in [this section](#):

a. “Imputed Iowa liability” means any of the following:

(1) In the case of corporations other than corporations described in [section 422.34](#) or [section 422.36, subsection 5](#), the corporation's Iowa net income after the application of the Iowa business activity ratio, if applicable, multiplied by the top income tax rate imposed under [section 422.33](#) for the tax year.

(2) In the case of financial institutions as defined in [section 422.61](#), the financial institution's Iowa net income after the application of the Iowa business activity ratio, if applicable, multiplied by the franchise tax rate imposed under [section 422.63](#) for the tax year.

(3) In this case of all other entities, including corporations described in [section 422.36, subsection 5](#), and all other entities required to file an information return under [section 422.15, subsection 2](#), the entity's Iowa net income after the application of the Iowa business activity ratio, if applicable, multiplied by the top income tax rate imposed under [section 422.5A](#) for the tax year.

b. "Income return" means an income tax return or information return required under [section 422.15, subsection 2](#), or [section 422.36, 422.37, or 422.62](#).

c. "Specified business" means a partnership or other entity required to file an information return under [section 422.15, subsection 2](#), a corporation required to file a return under [section 422.36 or 422.37](#), or a financial institution required to file a return under [section 422.62](#).

Sec. 3. [Section 421.60, subsection 2](#), paragraph d, Code 2021, is amended to read as follows:

d. (1) A taxpayer is permitted to designate in writing the type of tax and tax periods to which any voluntary payment relates, provided that separate written instructions accompany the payment. This paragraph does not apply to jeopardy assessments and does not apply if the department has to enforce collection of the payment.

(2) As used in this paragraph, "tax period" means a period of time for which a return is required.

Sec. 4. [Section 422.25, subsection 4](#), Code 2021, is amended to read as follows:

4. a. All payments received must be credited first, to the penalty and interest accrued, and then to the tax due. If payments in multiple tax periods are unpaid, payments received shall be credited first to the penalty and interest accrued and then tax due for the earliest period, and then credited to each following tax period in chronological order from the earliest tax period to the latest tax period. Payments required to be made within a tax period must be credited first to the earliest deposit period within the tax period. For purposes of [this subsection](#), the department shall not reapply prior payments made on or before the due date of the original return by the taxpayer to penalty or interest determined to be due after the date of those prior payments, except that the taxpayer and the department may agree to apply payments in accordance with rules adopted by the director when there are both agreed and unagreed to items as a result of an examination.

b. As used in [this subsection](#), "tax period" means a period of time for which a return is required.

Sec. 5. [Section 422.75](#), Code 2021, is amended to read as follows:

422.75 Statistics — publication.

The department shall prepare and publish an annual report which shall include statistics reasonably available, with respect to the operation of [this chapter](#), including amounts collected, classification of taxpayers, and such other facts as are deemed pertinent and valuable. The annual report shall also include the reports and information required pursuant to [section 421.17, subsection 13, and section 421.60, subsection 2](#), paragraphs "i" and "l".

Sec. 6. [Section 423.14, subsection 2](#), paragraph b, Code 2021, is amended to read as follows:

b. The tax upon the use of all tangible personal property and specified digital products other than that enumerated in paragraph "a", which is sold by a seller who is a retailer or its agent that is not otherwise required to collect sales tax under the provisions of [this chapter](#), shall may be collected by the retailer or agent and remitted to the department, pursuant to the provisions of paragraph "e", and [sections 423.24, 423.29, 423.30, 423.32, and 423.33](#).

Sec. 7. CANCELLATION OF UNUSED PERMITS. Notwithstanding any other provision of law to the contrary, from July 1, 2021, through December 31, 2021, the department of revenue shall have authority to cancel withholding tax permits, sales tax permits, or use tax permits that the department of revenue has verified are no longer in use.

DIVISION II
PASS-THROUGH ENTITIES — COMPOSITE RETURNS

Sec. 8. [Section 29C.24, subsection 3](#), paragraph a, subparagraph (3), Code 2021, is amended to read as follows:

(3) The imposition of income taxes under [chapter 422, subchapters II and III](#), including the requirement to file tax returns under [sections 422.13 through 422.15, section 422.16B](#), or [section 422.36](#), as applicable, and including the requirement to withhold and remit income tax from out-of-state employees under [section 422.16](#). In addition, the performance of disaster or emergency-related work during a disaster response period by an out-of-state business or out-of-state employee shall not require an out-of-state business to be included in a consolidated return under [section 422.37](#), and shall not increase the amount of net income of the out-of-state business allocated and apportioned to the state under [section 422.8 or 422.33](#), as applicable.

Sec. 9. [Section 422.9, subsection 2A](#), paragraph b, Code 2021, is amended by striking the paragraph.

Sec. 10. [Section 422.13, subsection 5](#), Code 2021, is amended by striking the subsection.

Sec. 11. [Section 422.13, subsection 6](#), Code 2021, is amended to read as follows:

6. Notwithstanding [subsections 1 through 5 4](#) and [sections 422.14 and 422.15](#), a return is not required by a taxpayer as provided in [section 29C.24](#).

Sec. 12. [Section 422.16, subsection 12](#), paragraph a, Code 2021, is amended to read as follows:

a. In the case of nonresidents having income subject to taxation by Iowa, but not subject to withholding of such tax under [subsection 1](#) hereof or subject to the provisions of [section 422.16B](#), withholding agents shall withhold from such income at the same rate as provided in [subsection 1](#) hereof, and such withholding agents and such nonresidents shall be subject to the provisions of [this section](#), according to the context, except that such withholding agents may be absolved of such requirement to withhold taxes from such nonresident's income upon receipt of a certificate from the department issued in accordance with the provisions of [section 422.17](#), as hereby amended. In the case of nonresidents having income from a trade or business carried on by them in whole or in part within the state of Iowa, such nonresident shall be considered to be subject to the provisions of [this subsection](#) unless such trade or business is of such nature that the business entity itself, as a withholding agent, is required to and does withhold Iowa income tax from the distributions made to such nonresident from such trade or business.

Sec. 13. [Section 422.16, subsection 12](#), paragraph c, Code 2021, is amended by striking the paragraph.

Sec. 14. **NEW SECTION. 422.16B Pass-through entity composite returns.**

1. As used in [this section](#), unless the context otherwise requires:

a. “Nonresident member” means a partner in a partnership as defined in [section 422.25A](#), a shareholder of an S corporation, or a beneficiary of an estate or trust, who is any of the following:

- (1) An individual who is not a resident of this state.
- (2) A partnership without a commercial domicile in this state.
- (3) A trust or estate without a situs in this state.
- (4) A C corporation or S corporation without a commercial domicile in this state.

(5) A financial institution as defined in [section 422.61](#) without a commercial domicile in this state.

b. “*Pass-through entity*” includes any entity that is a partnership or a pass-through entity as those terms are defined in [422.25A](#).

c. “*Tiered pass-through entity*” means a member of a pass-through entity that is itself a pass-through entity.

2. a. (1) A pass-through entity shall file a composite return on behalf of all nonresident members and shall report and pay the income or franchise tax imposed under [this chapter](#) at the maximum state income or franchise tax rate applicable to the member under [section 422.5A](#), [422.33](#), or [422.63](#) on the nonresident members’ distributive shares of the income from the pass-through entity.

(2) The tax rate applicable to a tiered pass-through entity shall be the maximum state income tax rate under [section 422.5A](#).

b. The composite return is due and shall be filed by the due date of the pass-through entity’s annual return required under [section 422.14](#), [422.15](#), or [422.36](#), including extensions. The return shall be on a form prescribed by the department showing the total amounts paid or credited to the pass-through entity’s nonresident members, the amounts of income or franchise tax remitted in accordance with [this section](#), if any, and such other information as the department may require. A pass-through entity shall furnish to its nonresident members a record of the amount of Iowa income or franchise tax remitted on behalf of such nonresident member in the manner and form prescribed by the department.

c. The Iowa income or franchise tax on the composite return is due on and shall be paid by the due date of the pass-through entity’s annual return required under [section 422.14](#), [422.15](#), or [422.36](#), without extensions.

3. a. A pass-through entity is liable to the state for the payment of the tax required to be remitted under [this section](#), together with applicable interest and penalties, but is not liable to any nonresident member for any amount withheld from distributions to or from the distributive share of such nonresident member and remitted in compliance with [this section](#).

b. If a pass-through entity fails to pay any amount of tax required under [this section](#) and thereafter the tax is paid by the nonresident member, the amount of tax as paid by the nonresident member shall not be collected from the pass-through entity, but such payment by the nonresident member shall not relieve the pass-through entity from any penalty or interest associated with the failure to pay.

4. a. A nonresident member that has been included on a composite return filed pursuant to [this section](#) shall receive credit for Iowa income or franchise tax paid on the nonresident member’s behalf by the pass-through entity, and any amounts in excess of the nonresident member’s Iowa tax liability for the applicable tax period may be refunded to the nonresident member with interest in accordance with [section 421.60](#), [subsection 2](#), paragraph “e”. The nonresident member’s Iowa return shall constitute a claim for refund for this purpose. In lieu of claiming a refund, the nonresident member may elect to have the overpayment shown on the nonresident member’s final, completed return for the taxable year credited to the taxpayer’s tax liability for the following taxable year.

b. A tiered pass-through entity shall be subject to the same requirements to file a composite return and pay tax under [this section](#) with respect to the distributive shares of the tiered pass-through entity’s income. Any Iowa income or franchise tax paid on the tiered pass-through entity’s behalf by another pass-through entity may be applied against that tiered pass-through entity’s own composite tax remittance obligation imposed under [this section](#).

c. A nonresident individual included on a composite tax return filed pursuant to [this section](#) shall be relieved of the requirement to file an individual income tax return under [section 422.13](#) if income from the pass-through entity is the nonresident individual’s only Iowa-source income.

5. A pass-through entity shall not be required to remit Iowa income or franchise tax on behalf of a nonresident member if any of the following apply:

a. The pass-through entity is a publicly traded partnership as defined in [section 7704\(b\)](#) of the Internal Revenue Code, provided the publicly traded partnership files with the department an information return that reports the name, address, taxpayer identification number, and

any other information requested by the department for each unit holder with an income in this state from the publicly traded partnership in excess of five hundred dollars.

b. A composite return is not required as provided in [section 29C.24](#).

c. The department determines by rule or through a ruling that the nonresident member's income should not be subject to composite return reporting, such as a member that is exempt from Iowa income or franchise tax.

6. If the director determines that it is necessary for the efficient administration of [this chapter](#), the director may require that a composite return be filed for nonresidents other than nonresident members of a pass-through entity.

7. All powers of the director and requirements of the director apply to returns filed under [this section](#) including but not limited to the provisions of [this subchapter](#) and [subchapter VI](#). The provisions of [section 422.16](#), [subsection 2](#), paragraph "c", and [subsections 6, 10, and 14](#), applying to withholding agents, shall apply in the same manner to pass-through entities under [this section](#).

8. For the efficient administration of [this chapter](#), the director may require or provide for the composite return on the same form as or combined with a pass-through entity's annual return required under [section 422.14](#), [422.15](#), or [422.36](#), but in such case the composite return shall be considered a separate return for purposes of [this chapter](#) and [section 421.27](#).

Sec. 15. APPLICABILITY. This division of this Act applies to tax years beginning on or after January 1, 2022.

DIVISION III
PUBLIC AGENCY DISCLOSURE — TAX-EXEMPT ENTITIES — DEPARTMENT OF
REVENUE

Sec. 16. [2021 Iowa Acts, House File 309](#), if enacted, is amended by adding the following new section:

SEC. 6A. **NEW SECTION. 22A.6 Applicability — department of revenue.**

1. The following shall not be construed as a violation of [this chapter](#) with respect to the department of revenue:

a. The identification of a person as a representative, responsible party, employee, withholding agent, or other signatory or contact of an entity exempt from taxation under section 501(c) of the Internal Revenue Code on any return, form, application, or other document required to be filed with the department, including but not limited to a tax return or tax permit.

b. Powers exercised under [section 422.70](#).

c. Information sought pursuant to discovery in a contested case proceeding.

d. Information that is expressly required to be provided by the department by law including but not limited to [section 422.11S](#).

2. The restrictions imposed under [this chapter](#) shall not be construed to entitle any taxpayer or tax-exempt entity to any deduction, exemption, credit, or other tax position which the taxpayer or exempt entity is unable to substantiate with sufficient evidence.

Approved June 8, 2021