

## CHAPTER 1061

### STATE AND LOCAL TAXATION — DEPARTMENT OF REVENUE RECORDS, DUTIES, AND PROCEDURES — ASSESSMENT, COLLECTION, CALCULATION, AND REFUNDS OF TAXES — DEBT COLLECTION — PROPERTY ASSESSMENT APPEAL BOARD SALARIES

H.F. 2552

**AN ACT** relating to state and local finances and the duties and procedures of the department of revenue by providing for electronic filing, communications, and records, modifying transfer tax remittances, the assessment of property, the collection of debt, the refunds of certain fuel taxes, and the taxation of pass-through entities, reducing inheritance taxes for unknown heirs, establishing salaries, providing for a fee, making appropriations, and providing penalties, and including effective date, applicability, and retroactive applicability provisions.

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

#### DIVISION I RECORD RETENTION

Section 1. [Section 422.68, subsections 3 and 4](#), Code 2022, are amended to read as follows:

3. a. The director may shall destroy useless records and returns, reports, and communications records of any taxpayer filed with or kept by the department after those returns, records, reports, or communications have been in the custody of the department for a period of not less than three years or such time as the director prescribes by rule. However, after the accounts of a person have been examined by the director and the amount of tax and penalty due have been finally determined, the director may order the destruction of any records previously filed by that taxpayer, notwithstanding the fact that those records have been in the custody of the department for a period less than three years. These records and documents shall be destroyed in the manner prescribed by the director by the end of the calendar year following the year in which the record is determined by the department to be useless.

b. (1) A taxpayer or the department may request that a specific record be retained beyond the useful life of the record.

(2) The director shall have the discretion to approve or deny a request made pursuant to subparagraph (1).

c. Notwithstanding paragraph “a”, the department may retain any of the following:

(1) A record that no longer contains personally identifiable information of a specific taxpayer.

(2) A record described in [section 17A.3, subsection 1](#), paragraph “d” or “e”.

d. The department shall adopt rules pursuant to [chapter 17A](#) to administer [this subsection](#).

4. The department may make photostat, microfilm, electronic, or other electronic or photographic copies of records, reports, and other papers either filed by the taxpayer or prepared by the department, or make such copies by other methods. In addition, the department may create and or use any system of recordkeeping reasonably calculated to preserve its records for any time period required by law. When these photostat, electronic, microfilm, or other copies have been a copy is made, the department may destroy the original records record which are the served as the basis for the copies copy in any manner prescribed by the director. These photostat, electronic, microfilm, or other types of copies, when no longer of use, may be destroyed A copy shall be subject to destruction as provided in [subsection 3](#). These photostat, microfilm, electronic, or other records A copy shall be admissible in evidence when duly certified and authenticated by the officer having custody and control of them the record.

Sec. 2. EFFECTIVE DATE. This division of this Act takes effect January 1, 2025.

DIVISION II  
ELECTRONIC FILING — FIDUCIARIES — BUSINESS ENTITIES

Sec. 3. [Section 422.14, subsection 1](#), Code 2022, is amended to read as follows:

1. a. A fiduciary subject to taxation under [this subchapter](#), as provided in [section 422.6](#), shall make a return, signed in accordance with forms and rules prescribed by the director, for the individual, estate, or trust for whom or for which the fiduciary acts, if the taxable income thereof amounts to six hundred dollars or more. A nonresident fiduciary shall file a copy of the federal income tax return for the current tax year with the return required by [this section](#).

b. (1) A fiduciary required to file a return under paragraph “a”, shall file the return in an electronic format as specified by the department in a tax year in which any of the following circumstances apply:

(a) The individual, estate, or trust for whom or which the fiduciary acts has two hundred fifty thousand dollars or more in gross receipts, as defined by rule by the department.

(b) The fiduciary is required to provide ten or more schedules K-1 to the beneficiaries.

(c) The fiduciary reports twenty-five thousand dollars or more of Iowa tax credits on the return.

(2) This paragraph “b” applies to any form or schedule supporting a return required to be electronically filed or any amended return if the amended return meets any of the circumstances requiring electronic filing in this paragraph.

c. (1) Notwithstanding paragraph “b”, the department may provide an exception to the electronic filing requirement.

(2) A return subject to the electronic filing requirement in paragraph “b” that is filed in a manner other than an electronic format specified by the department shall not be considered a valid return unless the department provides an exception pursuant to this paragraph.

d. The department shall adopt rules to implement [this subsection](#).

Sec. 4. [Section 422.15, subsection 2](#), Code 2022, is amended to read as follows:

2. a. Every partnership, including limited partnerships, doing business in this state, or deriving income from sources within this state as defined in [section 422.32, subsection 1](#), paragraph “g”, shall make a return, stating specifically the net income and capital gains or losses reported on the federal partnership return, the names and addresses of the partners, and their respective shares in said amounts.

b. (1) A partnership required to file a return under paragraph “a”, shall file the return in an electronic format specified by the department in a tax year in which any of the following circumstances apply:

(a) The partnership has two hundred fifty thousand dollars or more in total gross receipts, as defined by rule by the department.

(b) The partnership is required to provide ten or more Iowa schedules K-1 to the partners.

(c) The partnership reports twenty-five thousand dollars or more of Iowa tax credits on the return.

(2) This paragraph “b” applies to any form or schedule supporting a return required to be electronically filed or any amended return if the amended return meets any of the circumstances requiring electronic filing in this paragraph.

c. (1) Notwithstanding paragraph “b”, the department may provide an exception to the electronic filing requirement.

(2) A return subject to the electronic filing requirement in paragraph “b” that is filed in a manner other than an electronic format specified by the department shall not be considered a valid return unless the department provides an exception pursuant to this paragraph.

d. The department shall adopt rules to implement [this subsection](#).

Sec. 5. [Section 422.16B, subsection 8](#), Code 2022, is amended to read as follows:

8. a. 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](#).

b. (1) If a pass-through entity is required to file its annual return under [section 422.14](#), [422.15](#), or [422.36](#) in an electronic format, the pass-through entity shall file its composite return for the same taxable year in an electronic format specified by the department.

(2) This paragraph applies to any form or schedule supporting a return required to be electronically filed or any amended return if the amended return meets any of the circumstances requiring electronic filing in this paragraph.

c. A return subject to the electronic filing requirement in paragraph “b” that is filed in a manner other than an electronic format specified by the department shall not be considered a valid return.

d. The department shall adopt rules to implement [this subsection](#).

Sec. 6. [Section 422.36](#), Code 2022, is amended by adding the following new subsection:

**NEW SUBSECTION.** 8. a. A corporation shall file a return required under [this section](#) in an electronic format specified by the department for any tax year if any of the following circumstances apply:

(1) The corporation has gross receipts of two hundred fifty thousand dollars or more, as defined by rule by the department.

(2) The corporation reports twenty-five thousand dollars or more of Iowa tax credits on the return.

b. A corporation described in [subsection 5](#) shall file all returns required under [this section](#) in an electronic format specified by the department for any tax year if any of the following circumstances apply:

(1) The corporation has gross receipts of two hundred fifty thousand dollars or more, as defined by rule by the department.

(2) The corporation is required to provide ten or more Iowa schedules K-1 to shareholders.

(3) The corporation reports twenty-five thousand dollars or more of Iowa tax credits on the return.

c. [This subsection](#) applies to any form or schedule supporting a return required to be electronically filed or any amended return if the amended return meets any of the circumstances requiring electronic filing in [this subsection](#).

d. (1) Notwithstanding paragraphs “a” and “b”, the department may provide an exception to the requirement to file a return in an electronic format.

(2) A return subject to the electronic filing requirement in [this subsection](#) that is filed in a manner other than in an electronic format specified by the department shall not be considered a valid return unless the department provides an exception pursuant to this paragraph.

e. The department shall adopt rules to implement [this subsection](#).

Sec. 7. [Section 422.37](#), Code 2022, is amended by adding the following new subsection:

**NEW SUBSECTION.** 8. a. (1) The affiliated group shall file a return under [this section](#) for each taxable year in an electronic format specified by the department, regardless of the total gross receipts of or amount of credits reported by the affiliated group.

(2) For purposes of the electronic filing requirement, a return of an affiliated group includes any form or schedule supporting the return or any amended return of the affiliated group.

(3) The financial institution is a corporation subject to the electronic filing requirement under [section 422.36](#), [subsection 8](#), paragraph “b”.

b. (1) Notwithstanding paragraph “a”, the department may provide an exception to file a return in an electronic format.

(2) A return subject to the electronic filing requirement in paragraph “a” that is filed in a manner other than in an electronic format specified by the department shall not be considered a valid return unless the department provides an exception pursuant to this paragraph.

c. The department shall adopt rules to implement [this subsection](#).

Sec. 8. [Section 422.62](#), Code 2022, is amended to read as follows:

**422.62 Due and delinquent dates.**

1. The franchise tax is due and payable on the first day following the end of the taxable year of each financial institution, and is delinquent after the last day of the fourth month following the due date or forty-five days after the due date of the federal tax return, excluding

extensions of time to file, whichever is the later. Every financial institution shall file a return as prescribed by the director on or before the delinquency date.

2. a. (1) A financial institution shall file a return required under [this section](#) in an electronic format specified by the department for any tax year if any of the following circumstances apply:

(a) The financial institution has two hundred fifty thousand dollars or more in gross receipts, as defined by rule by the department.

(b) The financial institution reports twenty-five thousand dollars or more of Iowa tax credits on the return.

(c) The financial institution is a corporation subject to the electronic filing requirement under [section 422.36, subsection 8, paragraph "b"](#).

(2) This paragraph "a" applies to any form or schedule supporting a return required to be electronically filed or any amended return if the amended return meets any of the circumstances requiring electronic filing in this paragraph.

b. (1) Notwithstanding paragraph "a", the department may provide an exception to the requirement to file a return in an electronic format.

(2) A return subject to the electronic filing requirement in paragraph "a" that is filed in a manner other than in an electronic format specified by the department shall not be considered a valid return unless the department provides an exception pursuant to this paragraph.

c. The department shall adopt rules to implement [this subsection](#).

#### Sec. 9. APPLICABILITY.

1. Except as provided in subsection 2, this division of this Act applies to tax years ending on or after December 31, 2022, or for tax years ending on or after December 31 of the calendar year in which the department implements a system for receiving the electronic returns required by this division of this Act, whichever is later.

2. The section of this division of this Act amending [section 422.14, subsection 1](#), applies to tax years ending on or after December 31, 2023, or for tax years ending on or after December 31 of the calendar year in which the department implements a system for receiving the electronic fiduciary returns required by this division of this Act, whichever is later.

3. The department of revenue shall notify the Code editor by December 1 of the calendar year the department has implemented a system for receiving the electronic returns or electronic fiduciary returns required by this division of this Act.

### DIVISION III ELECTRONIC FILING — CREDIT UNIONS

Sec. 10. [Section 533.329, subsection 3](#), Code 2022, is amended to read as follows:

3. a. Returns shall be in the form the director of revenue prescribes, and shall be filed with the department of revenue on or before the last day of the fourth month after the expiration of the tax year. The moneys and credits tax is due and payable on the last day of the fourth month after the expiration of the tax year.

b. A credit union shall file a return required under [this section](#) in an electronic format specified by the department for each tax year.

c. (1) Notwithstanding paragraph "b", the department may provide an exception to file a return in an electronic format.

(2) A return subject to the electronic filing requirement in paragraph "b" that is filed in a manner other than in an electronic format specified by the department shall not be considered a valid return unless the department provides an exception pursuant to this paragraph.

d. The department shall adopt rules to implement [this subsection](#).

#### Sec. 11. APPLICABILITY.

1. This division of this Act applies to tax years ending on or after December 31, 2024, or for tax years ending on or after December 31 of the calendar year in which the department implements a system for receiving the electronic returns required by this division of this Act, whichever is later.

2. The department of revenue shall notify the Code editor by December 1 of the calendar year the department has implemented a system for receiving electronic returns required by this division of this Act.

#### DIVISION IV AUTHORITY TO CHARGE FEES

Sec. 12. [Section 421.17](#), Code 2022, is amended by adding the following new subsection: NEW SUBSECTION. 37. To establish a fee, by rule, and charge a person for a copy of a return. The fee shall be retained by the department of revenue.

Sec. 13. LEGISLATIVE INTENT. This division of this Act shall not be construed to prohibit the department of revenue from charging a fee for a copy of a return prior to the enactment of this division of this Act pursuant to another authority of the department.

It is the intent of the general assembly that this division of this Act is a conforming amendment consistent with current state law, and the amendment does not change the application of the current law but instead reflects current law both before and after enactment of this division of this Act.

#### DIVISION V AUTHORITY TO ACT ON BEHALF OF TAXPAYER

Sec. 14. [Section 421.59, subsection 2](#), unnumbered paragraph 1, Code 2022, is amended to read as follows:

Unless otherwise prohibited by law, the department may authorize the following persons to act and receive information on behalf of and exercise all of the rights of a taxpayer, regardless of whether a power of attorney has been filed pursuant to [subsection 1](#):

Sec. 15. [Section 421.59, subsection 2](#), paragraph d, Code 2022, is amended by striking the paragraph and inserting in lieu thereof the following:

d. An individual holding the following title or position within a corporation, association, partnership, or other business entity:

(1) An officer or employee of the corporation or association who is authorized to act on behalf of the corporation or association in tax matters.

(2) A designated partner or employee of the partnership who is authorized to act on behalf of the partnership in tax matters.

(3) A person authorized to act on behalf of the limited liability company in tax matters pursuant to a valid statement of authority or employee of the company who is authorized to act on behalf of the company in tax matters.

Sec. 16. [Section 421.59, subsection 2](#), Code 2022, is amended by adding the following new paragraphs:

NEW PARAGRAPH. i. A trustee.

(1) Upon request a trustee shall submit a certification of trust, or in the absence of a certification of trust a copy of the court order appointing the trustee if one has been issued, or a copy of the trust.

(2) The department has standing to petition the court that appointed the trustee to verify the appointment or to determine the scope of the appointment.

NEW PARAGRAPH. j. A person named as an agent in a general or durable power of attorney document that is currently in force and such document has not been prescribed by the department of revenue.

NEW PARAGRAPH. k. A successor as defined in [section 633.356, subsection 2](#), of a very small estate.

Sec. 17. [Section 421.59](#), Code 2022, is amended by adding the following new subsections:

NEW SUBSECTION. 3A. An individual acting on behalf of a taxpayer pursuant to [subsection 2](#) must certify that the individual possesses actual authority to act on behalf of the taxpayer in tax matters.

NEW SUBSECTION. 3B. In addition to documents required under [subsection 2](#), the department shall require any documents or other evidence to demonstrate an individual has authority to act on behalf of the taxpayer before the department.

#### DIVISION VI ELECTRONIC COMMUNICATION

Sec. 18. [Section 421.60, subsection 11](#), Code 2022, is amended by striking the subsection and inserting in lieu thereof the following:

11. *Electronic communication.*

a. As used in [this subsection](#), “*electronic communication*” means a notice, correspondence, or other communication provided electronically.

b. The department of revenue, by rule, may permit a person to elect to receive an electronic communication from the department.

c. (1) Notwithstanding any provision of law to the contrary, when an electronic communication is posted to the department’s electronic portal for a person who has made such an election, the posting of the electronic communication shall satisfy any requirement of mailing or personal service in [this title](#), [chapter 272D](#), or [sections 321.105A](#) and [533.329](#).

(2) The department may send any notice, correspondence, or other communication by mail to a person who has elected to receive an electronic communication from the department.

(3) If the department sends a notice, correspondence, or other communication by both mail and by electronic communication, service occurs upon the earlier of when the communication is posted to the department’s electronic portal or mailed.

d. The director of revenue may adopt rules and establish procedures under [this subsection](#).

#### DIVISION VII INCOME STATEMENTS TO BE PROVIDED TO THE DEPARTMENT

Sec. 19. [Section 422.16, subsection 2](#), paragraphs b and c, Code 2022, are amended to read as follows:

b. Every withholding agent on or before the ~~end~~ fifteenth day of the second month following the close of the calendar year in which the withholding occurs shall make an annual reporting of taxes withheld and other information prescribed by the director and send to the department copies of ~~wage and tax statements with the return~~ income statements required by [subsection 7](#). At the discretion of the director, the withholding agent shall not be required to send ~~wage statements and tax~~ income statements with the annual reporting return form report if the information is available from the internal revenue service or other state or federal agencies.

c. If the director has reason to believe that the collection of the tax provided for in [subsections 1 and 12](#) is in jeopardy, the director may require the employer or withholding agent to ~~make the report~~ file a return as required in [subsection 2](#), paragraph “a”, and pay the tax at any time, in accordance with [section 422.30](#). The director may authorize incorporated banks, trust companies, or other depositories authorized by law which are depositories or financial agents of the United States or of this state, to receive any tax imposed under [this chapter](#), in the manner, at the times, and under the conditions the director prescribes. The director shall also prescribe the manner, times, and conditions under which the receipt of the tax by those depositories is to be treated as payment of the tax to the department.

Sec. 20. [Section 422.16, subsection 7](#), Code 2022, is amended to read as follows:

7. a. Every withholding agent required to deduct and withhold a tax under [subsections 1 and 12 of this section](#) shall furnish to such employee, nonresident, or other person in respect of the ~~remuneration~~ income paid by such employer or withholding agent to such employee, nonresident, or other person during the calendar year, on or before January 31 of the succeeding year, or, in the case of employees, if the employee’s employment is terminated before the close of such calendar year, within thirty days from the day on which the last payment of wages or other taxable income is made, if requested by such employee, but not later than January 31 of the following year, ~~a written~~ an income statement showing the following:

(1) The name and address of such employer or withholding agent, and the taxpayer identification number of such employer or withholding agent.

(2) The name of the employee, nonresident, or other person and that person's federal social security account taxpayer identification number, together with the last known address of such employee, nonresident, or other person to whom wages have or other taxable income has been paid during such period.

(3) The gross amount of wages, or other taxable income, paid to the employee, nonresident, or other person.

(4) The total amount deducted and withheld as tax under the provisions of subsections 1 and 12 of this section.

(5) The total amount of federal income tax withheld.

b. The income statements required to be furnished by this subsection in respect of any wages or other taxable Iowa income or any additional information required to be displayed on the income statement shall be in such form or forms as the director may, by regulation rule, prescribe.

Sec. 21. Section 422.16, subsection 10, paragraphs a and b, Code 2022, are amended to read as follows:

a. ~~An~~ In addition to any other penalty provided by law, an employer or withholding agent required under this chapter to furnish a statement required by this chapter who willfully furnishes a false or fraudulent statement, or who willfully fails to furnish the statement is, for each failure, subject to a civil penalty of five hundred dollars, the penalty to be in addition to any criminal penalty otherwise provided by the Code. to furnish or file an income statement required by this statement is subject to a civil penalty of five hundred dollars for each occurrence of the following:

(1) Willful failure to furnish an employee, nonresident, or other person with an income statement.

(2) Willfully furnishing an employee, nonresident, or other person with a false or fraudulent income statement.

(3) Willful failure to file an income statement with the department.

(4) Willfully filing a false or fraudulent income statement with the department.

b. ~~In addition to the tax or additional tax, any A person, or withholding agent shall pay a, or other person required by this section to file a return is subject to the penalty as provided in section 421.27. Any penalty assessed under section 421.27 shall be in addition to the tax or additional tax due. The taxpayer shall also pay interest on the tax or additional tax at the rate in effect under section 421.7, for each month counting each fraction of a month as an entire month, computed from the date the semimonthly, monthly, or quarterly deposit form was required to be filed. The penalty and interest become a part of the tax due from the withholding agent.~~

Sec. 22. Section 422.16, Code 2022, is amended by adding the following new subsection: NEW SUBSECTION. 15. The director may allow additional time for filing documents required under this section with the department in the case of illness, disability, absence, or if good cause is shown.

#### DIVISION VIII REMITTANCES OF TRANSFER TAX

Sec. 23. Section 428A.8, subsection 1, paragraphs a and c, Code 2022, are amended to read as follows:

a. On or before the tenth day of each month the county recorder shall determine and pay remit to the treasurer of state department of revenue eighty-two and three-fourths percent of the receipts from the real estate transfer tax collected during the preceding month and the treasurer of state department of revenue shall deposit and transfer the receipts as provided in subsection 2.

c. Any tax or additional tax found to be due shall be collected by the county recorder. If the county recorder is unable to collect the tax, the director of revenue shall collect the tax in the same manner as taxes are collected in chapter 422, subchapter III. If collected by the

director of revenue, the director shall pay remit to the county its proportionate share of the tax. [Section 422.25, subsections 1, 2, 3, and 4](#), and [sections 422.26, 422.28 through 422.30](#), and [422.73](#), consistent with [this chapter](#), apply with respect to the collection of any tax or additional tax found to be due, in the same manner and with the same effect as if the deed, instrument, or writing were an income tax return within the meaning of those statutes.

Sec. 24. [Section 428A.8, subsection 2](#), unnumbered paragraph 1, Code 2022, is amended to read as follows:

The ~~treasurer of state~~ department of revenue shall deposit or transfer the receipts ~~paid remitted to the treasurer of state~~ department of revenue pursuant to [subsection 1](#) to either the general fund of the state, the housing trust fund created in [section 16.181](#), or the shelter assistance fund created in [section 16.41](#) as follows:

Sec. 25. [Section 428A.9](#), Code 2022, is amended to read as follows:  
**428A.9 Refund of tax.**

To receive a refund from the state the taxpayer shall petition the state appeal board for a refund of the amount of overpayment of the tax paid remitted to the treasurer of state department of revenue. To receive a refund from the county the taxpayer shall petition the board of supervisors for a refund of the remaining portion of the overpayment paid to that county.

#### DIVISION IX BOARD OF REVIEW ELIGIBILITY

Sec. 26. [Section 441.32](#), Code 2022, is amended by adding the following new subsection:  
**NEW SUBSECTION.** 3. If a board member is removed under [this section](#), the board member shall not be eligible for appointment to a board of review in this state for six years following the date of the removal.

#### DIVISION X EQUALIZATION ADJUSTMENTS — APPEALS

Sec. 27. [Section 441.48](#), Code 2022, is amended to read as follows:  
**441.48 Notice of adjustment — ~~protest appeal~~ — final action.**

1. Before the department of revenue shall adjust the valuation of any class of property any such percentage, the department shall first serve ten days' notice by mail, on the county auditor of the county whose valuation is proposed to be adjusted.

2. If the county or assessing jurisdiction intends to ~~protest appeal~~ the proposed adjustment, the board of supervisors or city council, city or county attorney, or other official of the county or assessing jurisdiction, as applicable, shall provide the department with written notice of intent to protest prior to expiration of the ten days' notice appeal within ten days of the notice provided by the department of revenue under [subsection 1](#).

3. ~~After expiration of the ten days' notice, the county or assessing jurisdiction may appear by its city council or board of supervisors, city or county attorney, or city or county officials, and make written or oral protest against such proposed adjustment. Upon receiving a timely notice of intent to appeal under [subsection 2](#), the department shall schedule a hearing on the proposed adjustment with the county or assessing jurisdiction. A county or assessing jurisdiction may submit an oral presentation at the hearing supported by written documentation or may submit a written presentation in lieu of making an oral presentation at a hearing. The county or assessing jurisdiction shall submit all written documentation to the department prior to the date of the hearing or, if the county or assessing jurisdiction elects a written presentation, not later than the date the written presentation is submitted.~~

4. ~~The protest appeal shall consist simply of a statement of the error, or errors, complained of with such facts and documentation as may lead to their correction of such errors.~~

5. Appeals of the proposed adjustment under [this section](#) are not subject to Code [chapter 17A](#). After written protest is received, or an oral protest is heard the hearing is held or the written presentation is submitted, the final action may be taken in reference to the proposed adjustment.



DIVISION XI  
BUSINESS PROPERTY TAX CREDIT AND ASSESSMENT LIMITATIONS

Sec. 28. [Section 2.48, subsection 3](#), paragraph f, subparagraph (5), Code 2022, is amended by striking the subparagraph.

Sec. 29. [Section 331.512, subsection 5](#), Code 2022, is amended by striking the subsection.

Sec. 30. [Section 331.559, subsection 15](#), Code 2022, is amended by striking the subsection.

Sec. 31. [Section 357H.9, subsection 1](#), paragraph d, subparagraph (2), Code 2022, is amended to read as follows:

(2) The difference between the actual value of the property as determined by the assessor each year and the ~~percentage of adjustment certified for that year by the director of revenue on or before November 1~~ assessed value of the property following application of the assessment limitations pursuant to [section 441.21, subsection 9](#), multiplied by the actual value of the property as determined by the assessor, shall be subtracted from the actual value of the property as determined pursuant to [section 403.19, subsection 1](#).

Sec. 32. [Section 357H.9, subsection 1](#), paragraph f, subparagraph (1), Code 2022, is amended to read as follows:

(1) “*Base year taxable value*” means the actual value of the property as determined in [section 403.19, subsection 1](#), ~~multiplied by the percentage of adjustment certified for the assessment year specified in [section 403.19, subsection 1](#), by the director of revenue on or before November 1~~ following application of the assessment limitations pursuant to [section 441.21, subsection 9](#).

Sec. 33. [Section 403.20](#), Code 2022, is amended to read as follows:

**403.20 Percentage of adjustment considered in value assessment.**

In determining the assessed value of property within an urban renewal area which is subject to a division of tax revenues pursuant to [section 403.19](#), the difference between the actual value of the property as determined by the assessor each year and ~~the percentage of adjustment certified for that year by the director of revenue on or before November 1 pursuant to [section 441.21, subsection 9](#), multiplied by the actual value of the property as determined by the assessor~~ following application of the assessment limitations under [section 441.21, subsection 9](#), shall be subtracted from the actual value of the property as determined pursuant to [section 403.19, subsection 1](#). If the assessed value of the property as determined pursuant to [section 403.19, subsection 1](#), is reduced to zero, the additional valuation reduction shall be subtracted from the actual value of the property as determined by the assessor.

Sec. 34. [Section 426C.2](#), Code 2022, is amended to read as follows:

**426C.2 Business property tax credit fund — appropriation.**

1. A business property tax credit fund is created in the state treasury under the authority of the department. For the fiscal year beginning July 1, 2014, there is appropriated from the general fund of the state to the department to be credited to the fund, the sum of fifty million dollars to be used for business property tax credits authorized in [this chapter](#). For the fiscal year beginning July 1, 2015, there is appropriated from the general fund of the state to the department to be credited to the fund, the sum of one hundred million dollars to be used for business property tax credits authorized in [this chapter](#). For the fiscal year beginning July 1, 2016, and each fiscal year thereafter beginning before July 1, 2023, there is appropriated from the general fund of the state to the department to be credited to the fund, the sum of one hundred twenty-five million dollars to be used for business property tax credits authorized in [this chapter](#).

2. Notwithstanding [section 12C.7, subsection 2](#), interest or earnings on moneys deposited in the fund shall be credited to the fund. Moneys in the fund are not subject to the provisions of [section 8.33](#) and shall not be transferred, used, obligated, appropriated, or otherwise

encumbered except as provided in [this chapter](#). However, moneys remaining in the fund at the end of the fiscal year beginning July 1, 2022, shall be transferred by the department for deposit in the general fund of the state.

Sec. 35. **NEW SECTION. 426C.10 Future repeal.**

[This chapter](#) is repealed July 1, 2024.

Sec. 36. [Section 441.21, subsection 5](#), Code 2022, is amended to read as follows:

5. a. For valuations established as of January 1, 1979, property valued by the department of revenue pursuant to [chapters 428, 433, 437, and 438](#) shall be considered as one class of property and shall be assessed as a percentage of its actual value. The percentage shall be determined by the director of revenue in accordance with the provisions of [this section](#). For valuations established as of January 1, 1979, the percentage shall be the quotient of the dividend and divisor as defined in [this section](#). The dividend shall be the total actual valuation established for 1978 by the department of revenue, plus ten percent of the amount so determined. The divisor for property valued by the department of revenue pursuant to [chapters 428, 433, 437, and 438](#) shall be the valuation established for 1978, plus the amount of value added to the total actual value by the revaluation of the property by the department of revenue as of January 1, 1979. For valuations established as of January 1, 1980, property valued by the department of revenue pursuant to [chapters 428, 433, 437, and 438](#) shall be assessed at a percentage of its actual value. The percentage shall be determined by the director of revenue in accordance with the provisions of [this section](#). For valuations established as of January 1, 1980, the percentage shall be the quotient of the dividend and divisor as defined in [this section](#). The dividend shall be the total actual valuation established for 1979 by the department of revenue, plus eight percent of the amount so determined. The divisor for property valued by the department of revenue pursuant to [chapters 428, 433, 437, and 438](#) shall be the valuation established for 1979, plus the amount of value added to the total actual value by the revaluation of the property by the department of revenue as of January 1, 1980. For valuations established as of January 1, 1981, and each year thereafter, the percentage of actual value at which property valued by the department of revenue pursuant to [chapters 428, 433, 437, and 438](#) shall be assessed shall be calculated in accordance with the methods provided herein, except that any references to ten percent in [this subsection](#) shall be eight percent. For valuations established on or after January 1, 2013, property valued by the department of revenue pursuant to [chapter 434](#) shall be assessed at a ~~percentage portion~~ of its actual value ~~equal to the percentage of actual value determined in the same manner~~ at which property assessed as commercial property is assessed under paragraph “b” for the same assessment year.

b. For valuations established on or after January 1, 2013, commercial property, excluding properties referred to in [section 427A.1, subsection 9](#), shall be assessed at a ~~percentage portion~~ of its actual value, as determined in this paragraph “b”.

(1) For valuations established for the assessment year beginning January 1, 2013, the percentage of actual value as equalized by the department of revenue as provided in [section 441.49](#) at which commercial property shall be assessed shall be ninety-five percent. For valuations established for the assessment year beginning January 1, 2014, and each assessment year thereafter beginning before January 1, 2022, the percentage of actual value as equalized by the department of revenue as provided in [section 441.49](#) at which commercial property shall be assessed shall be ninety percent.

(2) For valuations established for the assessment year beginning January 1, 2022, and each assessment year thereafter, the portion of actual value at which each property unit of commercial property shall be assessed shall be the sum of the following:

(a) An amount equal to the product of the assessment limitation percentage applicable to residential property under [subsection 4](#) for that assessment year multiplied by the actual value of the property that exceeds zero dollars but does not exceed one hundred fifty thousand dollars.

(b) An amount equal to ninety percent of the actual value of the property for that assessment year that exceeds one hundred fifty thousand dollars.

c. For valuations established on or after January 1, 2013, industrial property, excluding properties referred to in [section 427A.1, subsection 9](#), shall be assessed at a percentage portion of its actual value, as determined in this paragraph “c”.

(1) For valuations established for the assessment year beginning January 1, 2013, the percentage of actual value as equalized by the department of revenue as provided in [section 441.49](#) at which industrial property shall be assessed shall be ninety-five percent. For valuations established for the assessment year beginning January 1, 2014, and each assessment year thereafter beginning before January 1, 2022, the percentage of actual value as equalized by the department of revenue as provided in [section 441.49](#) at which industrial property shall be assessed shall be ninety percent.

(2) For valuations established for the assessment year beginning January 1, 2022, and each assessment year thereafter, the portion of actual value at which each property unit of industrial property shall be assessed shall be the sum of the following:

(a) An amount equal to the product of the assessment limitation percentage applicable to residential property under [subsection 4](#) for that assessment year multiplied by the actual value of the property that exceeds zero dollars but does not exceed one hundred fifty thousand dollars.

(b) An amount equal to ninety percent of the actual value of the property for that assessment year that exceeds one hundred fifty thousand dollars.

d. For valuations established for the assessment year beginning January 1, 2019, and each assessment year thereafter, the percentages or portions of actual value at which property is assessed, as determined under [this subsection](#), shall not be applied to the value of wind energy conversion property valued under [section 427B.26](#) the construction of which is approved by the Iowa utilities board on or after July 1, 2018.

e. (1) For each fiscal year beginning on or after July 1, 2023, there is appropriated from the general fund of the state to the department of revenue the sum of one hundred twenty-five million dollars to be used for payments under this paragraph calculated as a result of the assessment limitations imposed under paragraph “b”, subparagraph (2), subparagraph division (a), and paragraph “c”, subparagraph (2), subparagraph division (a).

(2) For fiscal years beginning on or after July 1, 2023, each county treasurer shall be paid by the department of revenue an amount calculated under subparagraph (4). If an amount appropriated for the fiscal year is insufficient to make all payments as calculated under subparagraph (4), the director of revenue shall prorate the payments to the county treasurers and shall notify the county auditors of the pro rata percentage on or before September 30.

(3) On or before July 1 of each fiscal year, the assessor shall report to the county auditor that portion of the total actual value of all commercial property and industrial property in the county that is subject to the assessment limitations imposed under paragraph “b”, subparagraph (2), subparagraph division (a), and paragraph “c”, subparagraph (2), subparagraph division (a), for the assessment year used to calculate the taxes due and payable in that fiscal year.

(4) On or before September 1 of each fiscal year, the county auditor shall prepare a statement, based on the report received in subparagraph (3) and information transmitted to the county auditor under [chapter 434](#), listing for each taxing district in the county:

(a) The product of the portion of the total actual value of all commercial property, industrial property, and property valued by the department under [chapter 434](#) in the county that is subject to the assessment limitations imposed under paragraph “b”, subparagraph (2), subparagraph division (a), and paragraph “c”, subparagraph (2), subparagraph division (a), for the applicable assessment year used to calculate taxes which are due and payable in the applicable fiscal year multiplied by the difference, stated as a percentage, between ninety percent and the assessment limitation percentage applicable to residential property under [subsection 4](#) for the applicable assessment year.

(b) The tax levy rate per one thousand dollars of assessed value for each taxing district for the applicable fiscal year.

(c) The amount of the payment for each county is equal to the amount determined pursuant to subparagraph division (a), multiplied by the tax rate specified in subparagraph division (b), and then divided by one thousand dollars.

(5) The county auditor shall certify and forward one copy of the statement described in subparagraph (4) to the department of revenue not later than September 1 of each fiscal year.

(6) The amounts determined under this paragraph shall be paid by the department to the county treasurers in equal installments in September and March of each year. The county treasurer shall apportion the payments among the eligible taxing districts in the county and the amounts received by each taxing authority shall be treated the same as property taxes paid.

f. For the purposes of [this subsection](#), unless the context otherwise requires:

(1) "Contiguous parcels" means any of the following:

(a) Parcels that share a common boundary.

(b) Parcels within the same building or structure regardless of whether the parcels share a common boundary.

(c) Permanent improvements to the land that are situated on one or more parcels of land that are assessed and taxed separately from the permanent improvements if the parcels of land upon which the permanent improvements are situated share a common boundary.

(2) "Parcel" means the same as defined in [section 445.1](#). "Parcel" also means that portion of a parcel assigned a classification of commercial property or industrial property pursuant to [section 441.21, subsection 14](#), paragraph "b".

(3) "Property unit" means a parcel or contiguous parcels all of which are located within the same county, with the same property tax classification, are owned by the same person, and are operated by that person for a common use and purpose.

Sec. 37. [Section 441.21, subsections 9 and 10](#), Code 2022, are amended to read as follows:

9. Not later than November 1, 1979, and November 1 of each subsequent year, the director shall certify to the county auditor of each county the percentages of actual value at which residential property, agricultural property, commercial property, industrial property, property valued by the department of revenue pursuant to [chapter 434](#), and property valued by the department of revenue pursuant to [chapters 428, 433, 437, and 438](#) in each assessing jurisdiction in the county shall be assessed for taxation, including for assessment years beginning on or after January 1, 2022, the percentages used to apply the assessment limitations under [subsection 5](#), paragraphs "b" and "c". The county auditor shall proceed to determine the assessed values of agricultural property, residential property, commercial property, industrial property, property valued by the department of revenue pursuant to [chapter 434](#), and property valued by the department of revenue pursuant to [chapters 428, 433, 437, and 438](#) by applying such percentages to the current actual value of such property, as reported to the county auditor by the assessor, and the assessed values so determined shall be the taxable values of such properties upon which the levy shall be made.

10. The ~~percentage~~ percentages of actual value computed by the department of revenue for agricultural property, residential property, commercial property, industrial property, property valued by the department of revenue pursuant to [chapter 434](#), and property valued by the department of revenue pursuant to [chapters 428, 433, 437, and 438](#), including for assessment years beginning on or after January 1, 2022, the percentages used to apply the assessment limitations under [subsection 5](#), paragraphs "b" and "c", and used to determine assessed values of those classes of property does do not constitute a rule as defined in [section 17A.2, subsection 11](#).

Sec. 38. RETROACTIVE APPLICABILITY. This division of this Act applies retroactively to assessment years beginning on or after January 1, 2022.

## DIVISION XII WAGE ASSIGNMENT NOTICE

Sec. 39. [Section 421.17B, subsection 3](#), paragraph a, Code 2022, is amended to read as follows:

a. ~~(1)~~ The facility may proceed under [this section](#) only if twenty days' notice of intent has been provided sent by regular mail to the last known address of the obligor, notifying the obligor that the obligor is subject to [this section](#) and the facility intends to use the process established in [this section](#). ~~If the facility determines that collection of the debt may be in~~

~~jeopardy, the facility may request that the employer deliver notice of the wage assignment simultaneously with the remainder of or in lieu of the obligor's compensation due from the employer. The twenty days' notice period shall not be required if the facility determines that the collection of past due amounts would be jeopardized.~~

~~(2) The facility may obtain one or more wage assignments of an obligor who is subject to [this section](#). If the obligor has more than one employer, the facility may receive wage assignments from one or more of the employers until the full debt obligation of the obligor is satisfied. If an obligor has more than one employer, the facility shall give notice to all employers from whom an assignment is sought.~~

Sec. 40. [Section 421.17B, subsection 3](#), paragraph b, unnumbered paragraph 1, Code 2022, is amended to read as follows:

The facility shall notify an obligor subject to [this section](#) of the initiation of the wage assignment action. The notice of initiation from the facility to the obligor shall be sent by regular mail within two working days of sending the notice to the employer pursuant to [subsection 6](#), paragraph "b", and shall contain all of the following:

Sec. 41. [Section 421.17B, subsection 4](#), Code 2022, is amended by adding the following new paragraph:

**NEW PARAGRAPH. c.** The facility may obtain multiple wage assignments of an obligor who is subject to [this section](#). If the obligor has multiple employers, the facility may receive wage assignments from each employer until the full debt obligation of the obligor is satisfied. The facility shall give notice to each employer when the facility is seeking a wage assignment.

Sec. 42. [Section 421.17B, subsection 6](#), paragraph b, Code 2022, is amended to read as follows:

~~b. To initiate a wage assignment, the facility shall send a notice to the employer within fourteen days of sending more than twenty days after the notice of the wage assignment intent to use the levy process is sent to the obligor pursuant to [subsection 3](#), paragraph "a".~~ The notice shall inform the employer of the amount to be assigned to the facility from each wage, salary, or payment period that is due the obligor. The facility may receive assignment of up to one hundred percent of the obligor's disposable income, salary, or payment for any given period until the full obligation to the facility is paid in full.

Sec. 43. [Section 421.17B, subsection 9](#), paragraph a, unnumbered paragraph 1, Code 2022, is amended to read as follows:

A notice of wage assignment given sent to the obligor under [this section](#) is effective without the serving of another notice until the ~~earliest of either~~ earlier of the following:

#### DIVISION XIII OUT-OF-STATE RECIPROCAL COLLECTIONS

Sec. 44. [Section 421.24](#), Code 2022, is amended by striking the section and inserting in lieu thereof the following:

##### **421.24 Reciprocal interstate enforcement.**

1. For the purposes of [this section](#), the terms "tax" and "taxes" include interest and penalties due under any taxing statute, and liability for interest or penalties, or both, due under a taxing statute of another state or a political subdivision of another state, and shall be recognized and enforced by the courts of this state to the same extent that the laws of the other state permit the enforcement of liability for interest or penalties, or both, due under a taxing statute of this state or a political subdivision of this state.

2. *a.* The director of revenue shall have the authority to enter into an agreement with a department or agency of any other state for the department or agency of the other state to collect delinquent accounts, charges, fees, loans, taxes, or other indebtedness owed to, placed with, or being collected by the central debt collection facility of the department of revenue. The department may retain from the amounts collected a fee established by agreement with the department or agency of the other state.

b. The director of revenue shall have the authority to enter into an agreement with a department or agency of any other state for the centralized debt collection facility to collect delinquent accounts, charges, fees, loans, taxes, or other indebtedness owed to, placed with, or being collected by the other state. The obligations or indebtedness of the other state referred to the facility must be delinquent and not subject to litigation, claim, appeal, or review pursuant to the appropriate remedies of the state. The department may retain from the amounts collected a fee established by agreement with the department or agency of the other state.

c. Upon referral of a delinquent balance from the department or agency of another state pursuant to paragraph “b”, the department shall send written notification to the obligor by regular mail to the obligor’s last known mailing address. The notification shall contain an explanation of the balance owed, the department or agency to which the balance is owed, that the department has entered into an agreement to collect the balance owed, and the obligor’s opportunity to give written notice of intent to contest the department’s right to collect the amount owed.

3. a. Challenges under [this section](#) may be initiated only by an obligor. The department’s review of its right to reciprocal collection is not subject to [chapter 17A](#).

b. The obligor challenging the reciprocal collection shall submit a written challenge in the manner provided in the notice described in [subsection 2](#), paragraph “c”, within fifteen days of the date of the notice.

c. The department, upon receipt of a written challenge, shall provide written notice of the challenge to the referring department or agency. The department shall review the information provided by the referring department or agency and shall obtain additional information if necessary to establish that the liability is delinquent and not subject to appeal, or to verify the identity of the obligor or the amount owed. The department shall set a time to occur within ten days of receipt of the challenge to review the relevant facts of the challenge with the obligor. An alternative time may be set at the request of the obligor. If the obligor does not participate in the review at the scheduled time and an alternative time is not requested and approved, the review shall take place without the obligor being present. Only a determination that the referred liability is not delinquent or is subject to challenge or a mistake of fact, including a mistake in the identity of the obligor, or a mistake in the amount owed, shall be considered as a reason to reject the referred liability.

d. If the department determines that a mistake of fact has occurred or that the liability is not delinquent or is subject to challenge, the department shall reject referral of the liability and shall take no further action to collect the liability.

e. If the department finds no mistake of fact and that the liability is delinquent and not subject to challenge, the department shall deny the challenge and provide a notice of that effect to the obligor and may proceed to collect the balance owed.

4. a. At the request of the director the attorney general may bring suit in the name of this state, in the appropriate court of any other state to collect any tax legally due in this state, and any political subdivision of this state or the appropriate officer, acting in its behalf, may bring suit in the appropriate court of any other state to collect any tax legally due to such political subdivision.

b. The courts of this state shall recognize and enforce liabilities for taxes lawfully imposed by any other state, or any political subdivision of the other state, which extends a like comity to this state, and the duly authorized officer of any such state or a political subdivision of such state may sue for the collection of such tax in the courts of this state. A certificate by the secretary of state of such other state that an officer suing for the collection of such a tax is duly authorized to collect the same shall be conclusive proof of such authority.

c. The courts of this state shall not enforce interest rates or penalties on taxes of any other state which exceed the interest rates and penalties imposed by the state of Iowa for the same or a similar tax.

5. Thirty days following the mailing of notice pursuant to [subsection 2](#), paragraph “c”, if no written challenge is received, or upon the department providing notice of denial of a challenge pursuant to [subsection 3](#), paragraph “e”, any tax amount referred to the facility under [subsection 2](#) shall be treated as the equivalent of individual income tax that is final, due and payable, and may be collected in any manner authorized under the law for collection

of a delinquent tax liability, including but not limited to the recording of a notice of state tax lien or issuance of a distress warrant.

6. The department may release information otherwise confidential under [section 422.20](#) or [422.72](#) to the department or agency of the other state, provided the department or agency of the other state agrees to keep such information confidential as defined by Iowa law. An employee or contractor of the department or agency of the other state shall not be required to complete the confidentiality training or acknowledgment requirements of the department.

#### DIVISION XIV PASS-THROUGH ENTITY TAXATION

Sec. 45. [Section 422.25A, subsection 3](#), Code 2022, is amended to read as follows:

3. ~~State partnership~~ *pass-through representative*. Notwithstanding any other law to the contrary, the state ~~partnership~~ *pass-through* representative for the reviewed year shall have the sole authority to act on behalf of the partnership or pass-through entity with respect to an action required or permitted to be taken by a partnership or pass-through entity under [this section](#) or [section 422.28](#) or [422.29](#) with respect to final federal partnership adjustments arising from a partnership level audit or an administrative adjustment request, and its direct partners and indirect partners shall be bound by those actions.

Sec. 46. [Section 422.25A, subsection 4](#), paragraph a, subparagraph (3), Code 2022, is amended to read as follows:

(3) File an amended composite return under [section 422.13](#), Code 2021, or under [section 422.16B](#), as applicable, if one was originally required to be filed, and if applicable for withholding from partners, file an amended withholding report under [section 422.16](#), [Code 2021](#), and pay the additional amount under [this title](#) that would have been due had the final federal partnership adjustments been reported properly as required, including any applicable interest and penalties.

Sec. 47. [Section 422.25A, subsection 4](#), paragraph b, subparagraph (3), Code 2022, is amended to read as follows:

(3) If the direct partner is a tiered partner and subject to [section 422.13](#), Code 2021, or [section 422.16B](#), file an amended composite return under [section 422.13](#), Code 2021, or under [section 422.16B](#), as applicable, if such return was originally required to be filed, and if applicable for withholding from partners file an amended withholding report under [section 422.16](#), [Code 2021](#), if one was originally required to be filed.

Sec. 48. [Section 422.25A, subsection 4](#), paragraph c, subparagraph (3), Code 2022, is amended to read as follows:

(3) Within ninety days after the time for filing and furnishing statements to tiered partners and their partners as established by section 6226 of the Internal Revenue Code and the regulations thereunder, if the indirect partner is a tiered partner and subject to [section 422.13](#), Code 2021, or [section 422.16B](#), file an amended composite return under [section 422.13](#), Code 2021, or under [section 422.16B](#), as applicable, if such return was originally required to be filed, and if applicable for withholding from partners, file an amended withholding report under [section 422.16](#), [Code 2021](#), if one was originally required to be filed.

Sec. 49. [Section 422.25A, subsection 5](#), paragraph c, subparagraph (6), subparagraph division (a), Code 2022, is amended to read as follows:

(a) Total the amounts computed pursuant to subparagraphs (2) through (5) and calculate any interest and penalty as provided under [this title](#). Notwithstanding any provision of law to the contrary, interest and penalties on the amount due by the audited partnership or tiered partner shall be computed from the ~~day after the~~ due date of the reviewed year return without extension, and shall be imposed as if the audited partnership or tiered partner was required to pay tax or show tax due on the original return for the reviewed year, except that a specified business subject to the penalty in [section 421.27, subsection 1](#), paragraph “b”, for the reviewed year shall not also be subject to the penalty in [section 421.27, subsection 1](#), paragraph “a”, on the amount due for that reviewed year pursuant to the election to pay.

Sec. 50. [Section 422.25B](#), Code 2022, is amended to read as follows:

**422.25B State partnership pass-through representative.**

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

2. The state partnership pass-through representative for the reviewed year for a partnership shall be the partnership's federal partnership representative with respect to an action required or permitted to be taken by a state partnership pass-through representative under [this chapter](#) for a reviewed year, unless the partnership designates in writing another person as the state partnership pass-through representative as provided in [subsection 3](#). The state partnership pass-through representative for the reviewed year for a pass-through entity is the person designated in [subsection 3](#).

3. The department may establish reasonable qualifications for a person to be a state partnership pass-through representative. If a partnership desires to designate a person other than the federal partnership representative, the partnership shall designate such person in the manner and form prescribed by the department. A pass-through entity shall designate a person as the state partnership pass-through representative in the manner and form prescribed by the department. A partnership or pass-through entity shall be allowed to change such designation by notifying the department at the time the change occurs in the manner and form prescribed by the department.

4. The department may adopt any rules pursuant to [chapter 17A](#) to implement [this section](#).

Sec. 51. [Section 422.25C](#), [subsections 2 and 3](#), Code 2022, are amended to read as follows:

2. For tax years beginning on or after January 1, 2020, any adjustments to a partnership's or pass-through entity's items of income, gain, loss, expense, or credit, or an adjustment to such items allocated to a partner that holds an interest in a partnership or pass-through entity for the reviewed year by the department as a result of a state partnership audit, shall be determined at the partnership level or pass-through entity level in the same manner as provided by section 6221(a) of the Internal Revenue Code and the regulations thereunder unless a different treatment is specifically provided in [this title](#). The provisions of sections 6222, 6223, and 6227 of the Internal Revenue Code and the regulations thereunder shall also apply to a partnership or pass-through entity and its direct or indirect partners in the same manner as provided in such sections unless a different treatment is specifically provided in [this title](#). For purposes of applying such sections, due account shall be made for differences in federal and Iowa terminology. The adjustment provided by section 6221(a) of the Internal Revenue Code shall be determined as provided in such section but shall be based on Iowa taxable income or other tax attributes of the partnership or pass-through entity as determined pursuant to [this chapter](#) for the reviewed year. The department shall issue a notice of adjustment to the partnership or pass-through entity. Such notice shall be treated as an assessment for the purposes of [section 422.25](#), and the notice shall be appealable by the partnership or pass-through entity pursuant to [sections 422.28](#) and [422.29](#) and shall be issued within the time period provided by [section 422.25](#). Once the adjustments to partnership-related or pass-through entity-related items or reallocations of income, gains, losses, expenses, credits, and other attributes among such partners for the reviewed year are finally determined, the partnership or pass-through entity and any direct partners or indirect partners shall then be subject to the provisions of [section 422.25](#), [subsection 1](#), paragraph "e", and [section 422.25A](#) in the same manner as if the state partnership audit were a federal partnership level audit, and as if the final state partnership audit adjustment were a final federal partnership adjustment. The penalty exceptions in [section 421.27](#), [subsection 2](#), paragraphs "b" and "c", shall not apply to a state partnership audit.

3. The state partnership pass-through representative for the reviewed year as determined under [section 422.25B](#) shall have the sole authority to act on behalf of the partnership or pass-through entity with respect to an action required or permitted to be taken by a partnership or pass-through entity under [this section](#), including proceedings under [section 422.28](#) or [422.29](#), and the partnership's or pass-through entity's direct partners and indirect partners shall be bound by those actions.



Sec. 52. COMPOSITE RETURN UNUSED TAX CREDIT CARRYFORWARDS FROM TAX YEAR 2021. Notwithstanding any other provision of law to the contrary, if a pass-through entity filing composite returns under [section 422.13, subsection 5, Code 2021](#), has a nonrefundable income tax credit carryforward amount attributable to the composite return following the close of the entity's composite return tax year that began during the 2021 calendar year, the pass-through entity may allocate those income tax credit carryforward amounts to the pass-through entity's partners, members, beneficiaries, or shareholders in the pass-through entity's tax year that begins during the 2022 calendar year, in the amount designated by the pass-through entity and in the manner and form prescribed by the department of revenue. The income tax credit shall be the same in the hands of the partner, member, beneficiary, or shareholder as in the pass-through entity, and may be claimed for any tax year that the pass-through entity could have claimed the tax credit.

Sec. 53. EFFECTIVE DATE. The following, being deemed of immediate importance, takes effect upon enactment:

The section of this division of this Act amending section 425.25A, <sup>1</sup> subsection 5, paragraph "c", subparagraph (6), subparagraph division (a).

Sec. 54. RETROACTIVE APPLICABILITY. The following applies retroactively to January 1, 2022, for tax years beginning on or after that date:

The section of this division of this Act amending section 425.25A, <sup>2</sup> subsection 5, paragraph "c", subparagraph (6), subparagraph division (a).

#### DIVISION XV INHERITANCE TAX — UNKNOWN HEIRS

Sec. 55. [Section 450.93](#), Code 2022, is amended to read as follows:  
**450.93 Unknown heirs.**

1. ~~Whenever~~ For a decedent dying before January 1, 2021, whenever the heirs or persons entitled to any estate or any interest therein are unknown or their place of residence cannot with reasonable certainty be ascertained, a tax of five percent shall be paid to the department of revenue upon all such estates or interests, subject to refund as provided herein in other cases; provided, however, that if it be afterwards determined that any estate or interest passes to aliens, there shall be paid within sixty days after such determination and before delivery of such estate or property, an amount equal to the difference between five percent, the amount paid, and the amount which such person should pay under the provisions of [this chapter](#).

2. a. For a decedent dying on or after January 1, 2021, but before January 1, 2022, the tax imposed in [subsection 1](#) shall be reduced by twenty percent, and rounded to the nearest one-hundredth of one percent.

b. For a decedent dying on or after January 1, 2022, but before January 1, 2023, the tax imposed in [subsection 1](#) shall be reduced by forty percent, and rounded to the nearest one-hundredth of one percent.

c. For a decedent dying on or after January 1, 2023, but before January 1, 2024, the tax imposed in [subsection 1](#) shall be reduced by sixty percent, and rounded to the nearest one-hundredth of one percent.

d. For a decedent dying on or after January 1, 2024, but before January 1, 2025, the tax imposed in [subsection 1](#) shall be reduced by eighty percent, and rounded to the nearest one-hundredth of one percent.

3. For a decedent dying on or after January 1, 2025, the tax in [subsection 1](#) shall not be imposed.

Sec. 56. RETROACTIVE APPLICABILITY. This division of this Act applies retroactively to January 1, 2021.

<sup>1</sup> According to Act; a reference to section 422.25A probably intended

<sup>2</sup> According to Act; a reference to section 422.25A probably intended

DIVISION XVI  
NOTICE REQUIREMENTS FOR PUBLICATION OF INTEREST RATES

Sec. 57. [Section 421.7, subsection 6](#), Code 2022, is amended to read as follows:

6. In November of each year the director shall cause an advisory notice to be published in the Iowa administrative bulletin and ~~in a newspaper of general circulation in this state~~ on the internet site of the department, stating the rate of interest to be in effect on or after January 1 of the following year, as established by [this section](#). The calculation and publication of the rate of interest by the director is exempt from [chapter 17A](#).

DIVISION XVII  
PROPERTY ASSESSMENT APPEAL BOARD — SALARIES

Sec. 58. [Section 421.1A, subsection 6](#), Code 2022, is amended to read as follows:

6. The members of the property assessment appeal board shall receive a salary set by the governor ~~within a range established by the general assembly~~ and commensurate with the salary of an administrative law judge. The members of the board shall be considered state employees for purposes of salary and benefits. The members of the board and any employees of the board, when required to travel in the discharge of official duties, shall be paid their actual and necessary expenses incurred in the performance of duties.

Sec. 59. [2008 Iowa Acts, chapter 1191, section 14, subsection 5](#), as amended by [2013 Iowa Acts, chapter 123, section 63](#), [2018 Iowa Acts, chapter 1163, section 8](#), and [2018 Iowa Acts, chapter 1165, section 81](#), is amended to read as follows:

5. The following are range 5 positions: administrator of the division of homeland security and emergency management of the department of public defense, state public defender, drug policy coordinator, labor commissioner, workers' compensation commissioner, director of the department of cultural affairs, director of the department of elder affairs, director of the law enforcement academy, ~~members of the property assessment appeal board~~, executive director of the department of veterans affairs, and administrator of the historical division of the department of cultural affairs.

Sec. 60. APPLICABILITY. This division of this Act applies to fiscal years beginning on or after July 1, 2022, effective with the pay period beginning June 24, 2022, and subsequent pay periods.

DIVISION XVIII  
DUE DATES — HOLIDAYS

Sec. 61. [Section 421.9, subsection 2](#), Code 2022, is amended to read as follows:

2. The office of the department shall be maintained at the seat of government in this state. The department shall be deemed to be in continuous session and open for the transaction of business except ~~Saturdays, Sundays, and legal holidays~~ Saturday, Sunday, and a holiday. The director of revenue may hold sessions in conducting investigations any place within the state when necessary to facilitate and render more thorough the performance of the director's duties. As used in [this section](#), "holiday" means the same as defined in [section 421.9A, subsection 1](#), paragraph "b", or a date when the office is otherwise closed pursuant to [section 4.1, subsection 34](#).

Sec. 62. NEW SECTION. 421.9A Due dates and holidays.

1. As used in [this section](#), "holiday" means any of the following:
  - a. A legal public holiday as described in [section 1C.1](#).
  - b. A paid holiday as described in [section 1C.2, subsection 1](#), and [subsection 2](#), paragraph "b".
  - c. A federal holiday observed by the United States postal service.
  - d. A banking holiday observed by the federal reserve.
  - e. A date when the office of the department is otherwise closed pursuant to [section 4.1, subsection 34](#).

2. When the due date for filing a return or other document with the department or the due date for the department to take any action falls on a Saturday, Sunday, or any holiday, the act is considered to be performed timely if the act is performed on or before the first business day following the Saturday, Sunday, or holiday.

Sec. 63. [Section 421.17A, subsection 1](#), paragraph g, Code 2022, is amended to read as follows:

g. “Working days” means Monday through Friday, excluding ~~the holidays specified in [section 1C.2, subsection 1](#)~~ a holiday as defined in [section 421.9A](#).

Sec. 64. [Section 423.50, subsections 4 and 5](#), Code 2022, are amended by striking the subsections.

Sec. 65. [Section 452A.61, subsection 1](#), Code 2022, is amended to read as follows:

1. The reports, returns, and remittances required under [this chapter](#) shall be deemed filed within the required time if postpaid, properly addressed, and postmarked on or before midnight of the day on which due and payable. If the final filing date falls on a Saturday, Sunday, or legal holiday the next secular or business day shall be the final filing date.

Sec. 66. [Section 452A.61](#), Code 2022, is amended by adding the following new subsection: NEW SUBSECTION. 3. As used in [this section](#), “holiday” means the same as defined in [section 421.9A](#).

Sec. 67. [Section 453A.10](#), Code 2022, is amended to read as follows:

**453A.10 Affixing of stamps by distributors.**

Except as provided in [section 453A.17](#), every distributor holding an Iowa permit shall cause to be affixed, within or without the state of Iowa, upon every individual package of cigarettes received by the distributor in this state or for distribution in this state, upon which no sufficient tax stamp is already affixed, a stamp or stamps of an amount equal to the tax due thereon. Such stamps shall be affixed within forty-eight hours, exclusive of ~~Sundays and legal holidays~~ a Sunday or a holiday, from the hour the cigarettes were received, and shall be affixed before such distributor sells, offers for sale, consumes, or otherwise distributes or transports the same. It shall be unlawful for any person, other than a distributing agent or distributor, bonded pursuant to [section 453A.14](#), or common carrier to receive or accept delivery of any cigarettes without stamps affixed to evidence the payment of the tax, or without having in possession the requisite amount or number of stamps necessary to stamp such cigarettes, and the possession of any unstamped cigarettes, without the possession of the requisite amount or number of stamps, shall be prima facie evidence of the violation of this provision. As used in [this section](#), “holiday” means the same as defined in [section 421.9A](#).

Sec. 68. [Section 453A.14, subsection 3](#), Code 2022, is amended to read as follows:

3. An additional bond or a new bond may be required by the director at any time an existing bond becomes insufficient or the surety thereon becomes unsatisfactory, which additional bond, or new bond, shall be supplied within ten days after demand. On failure to supply a new bond or additional bond within ten days after demand, the director may cancel any existing bond made and secured by and for the person. If the bond is canceled the person shall within forty-eight hours after receiving cigarettes or forty-eight hours after the cancellation, excluding ~~Sundays and legal holidays~~ a Sunday or a holiday, cause any cigarettes in the person’s possession to have the requisite amount of stamps affixed to represent the tax. As used in [this section](#), “holiday” means the same as defined in [section 421.9A](#).

DIVISION XIX  
AVIATION FUEL AND MOTOR FUEL REFUNDS

Sec. 69. [Section 452A.82](#), Code 2022, is amended to read as follows:

**452A.82 Aviation fuel tax fund.**

The portion of the moneys collected under [this chapter](#) received on account of aviation gasoline and special fuel used in aircraft, less refunds issued on account of aviation gasoline

and special fuel used in aircraft, shall be deposited in a separate fund to be maintained by the treasurer. All moneys remaining in the separate fund after the cost of administering the fund has been paid shall be credited to the state aviation fund created in [section 328.56](#).

Sec. 70. [Section 452A.84, subsections 1 and 2](#), Code 2022, are amended to read as follows:

1. Determine monthly the total amount of motor fuel tax collected under [this chapter](#), ~~less refunds for motor fuel tax~~, and multiply the amount by nine-tenths of one percent.

2. Subtract from the figure computed pursuant to [subsection 1 of this section](#) three percent of the figure for administrative costs ~~and further subtract from the figure the amounts refunded to commercial fishers pursuant to [section 452A.17, subsection 1](#), paragraph "a", subparagraph (7). All moneys remaining after claims for refund and the cost of administration have been made shall be transferred to the marine fuel tax fund.~~

#### DIVISION XX

#### INHERITANCE TAX REPEAL — SUBMISSION OF PROPOSED CODE CHANGES

Sec. 71. [2021 Iowa Acts, chapter 177, section 14](#), is amended to read as follows:

SEC. 14. DEPARTMENT OF REVENUE. The department of revenue is directed to review references to Code [chapters 450](#) and [450B](#) and submit proposed corrections to such references in bill form to the general assembly by the ~~2022~~ 2024 regular session of the ~~eighty-ninth~~ ninetieth general assembly.

Approved May 2, 2022