

APR 19 2005  
WAYS & MEANS CALENDAR

HOUSE FILE 867  
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR HSB 283)

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

1 An Act relating to original jurisdiction over actions seeking  
2 declaratory judgments on constitutional nexus issues for sales  
3 or use tax purposes.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 867

1 Section 1. NEW SECTION. 602.6703 DECLARATORY JUDGMENT TO  
2 ADJUDICATE CONSTITUTIONAL NEXUS ISSUES REGARDING TAXATION.

3 1. District courts have original jurisdiction over civil  
4 actions seeking declaratory judgment when both of the  
5 following apply:

6 a. The party seeking declaratory relief is a business that  
7 is any of the following:

8 (1) Organized under the laws of this state.

9 (2) A sole proprietorship owned by a domiciliary of this  
10 state.

11 (3) Authorized to do business in this state.

12 b. The responding party is a government official of  
13 another state, or political subdivision of another state, who  
14 asserts that the business in question is obliged to collect  
15 sales or use taxes for such state or political subdivision  
16 based upon conduct of the business that occurs wholly or  
17 partially within that state or political subdivision.

18 2. A business meeting the requirements and facing the  
19 circumstances described in subsection 1 shall be entitled to  
20 declaratory relief on the issue of whether the requirement of  
21 another state, or political subdivision of another state, that  
22 the business collect and remit sales or use taxes to that  
23 state, or political subdivision, in the factual circumstances  
24 of the business' operations giving rise to the demand,  
25 constitutes an undue burden on interstate commerce within the  
26 meaning of the Constitution of the United States.

27 EXPLANATION

28 This bill grants original jurisdiction to Iowa district  
29 courts over civil actions seeking declaratory relief that a  
30 business which is organized in the state, is a sole  
31 proprietorship owned by a domiciliary of the state, or is  
32 authorized to do business in this state is unconstitutionally  
33 burdened by the requirement of another state to collect sales  
34 or use taxes for that state or a political subdivision of that  
35 state.

Paulsen, ch  
Kaufmann  
Mogg

HSB 283

Succeed WAYS AND MEANS  
SF 867

HOUSE FILE \_\_\_\_\_

BY (PROPOSED COMMITTEE ON  
WAYS AND MEANS BILL BY  
CHAIRPERSON VAN FOSSEN)

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

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