

Reported Recommending .....  
Ind. Postponed .....  
Failed to Pass House .....  
Passed House .....  
Passed Senate .....  
Failed to Pass Senate .....

House File 69

January 21, 1947.  
Ways and Means.

By McFARLANE and REDMAN.

## A BILL FOR

An Act to exempt certain monies, credits, corporation shares  
or stocks from taxation.

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

1 Section 1. Section four hundred twenty-nine point two  
2 (429.2), Code 1946, is hereby amended by striking the word  
3 "assessed" in line fourteen (14) and inserting in lieu thereof  
4 the following: "exempt from taxation except as specifically  
5 otherwise provided by law"; and by inserting after the word  
6 "defined" in line seventeen (17) thereof the following: "and  
7 when specifically subject to taxation".

1 Sec. 2. The exemptions provided by this Act shall not  
2 affect or prevent the assessment, levy or collection of taxes  
3 on monies and credits or corporation stocks for any years or  
4 years prior to 1948.

1 Sec. 3. The exemptions provided for by this Act shall not  
2 preclude the taking of monies and credits into account in  
3 determining the assessed value of property within any taxing  
4 district for the purpose of computing the limit of indebtedness  
5 prescribed by any general law or by the constitution of the state  
6 of Iowa, and property so exempted shall for these purposes be

7 taken into account at its assessed value as finally equalized for  
8 the year 1946.

1 Sec. 4. The exemptions as provided by this section shall  
2 not preclude the taking of monies and credits into account in  
3 determining the assessed valuation of property for apportionment  
4 of public funds to taxing districts when the assessed valuation  
5 is a factor in such apportionment and for any other purposes in  
6 which such valuation of property is a factor under any of the  
7 laws of the state for any other purpose, and the property so  
8 exempted, shall for such purposes, be taken into account at its  
9 assessed valuation as finally equalized for the year 1946.

1 Sec. 5. Subsection four (4), subsection five (5), and  
2 subsection seven (7) of section four hundred twenty-seven point  
3 thirteen (427.13), Code 1946, are hereby repealed.

1 Sec. 6. Section four hundred twenty-eight point three  
2 (428.3), Code 1946, is hereby repealed, and the following  
3 substituted in lieu thereof:

4 "Any person acting as the agent of another and having in his  
5 possession or under his control or management any tangible  
6 personal property belonging to such other person with a view to  
7 in any manner using or holding the same for himself or for the  
8 owner, shall be required to list the same at its real value and  
9 such agent shall be personally liable for the tax on the same;  
10 and if he refuses to render the list or swear to the same, the  
11 amount of said tangible personal property may be listed and valued  
12 according to the best knowledge and judgment of the assessor."

1 Sec. 7. Section four hundred twenty-eight point eight  
2 (428.8), Code 1946, is hereby amended by striking from line three  
3 (3) the words "not otherwise assessed" and substituting in lieu  
4 thereof the words "when subject to assessment."

1 Sec. 8. Section four hundred twenty-eight point eleven  
2 (428.11), Code 1946, is hereby amended by inserting in line four  
3 (4) after the word "credits"; a comma (,) and the words "if  
4 subject to assessment,".

1 Sec. 9. Section four hundred twenty-nine point three  
2 (429.3), Code 1946, is hereby amended by inserting after the  
3 word "upon" in line two (2) the word "taxable".

1 Sec. 10. Section four hundred forty-one point ten (441.10),  
2 Code 1946, is hereby amended by striking from line twenty-one  
3 (21) the words "He shall also", and by striking lines 22, 23, 24,  
4 25 and the words "provided for." in line 26; also by striking  
5 that portion of said section beginning with the words "ASSESSMENT  
6 ROLL—FORM NO. 2", at the top of page 1263, Code 1946, and  
7 ending with the word "Assessor" at the end of said section.

1 Sec. 11. Section four hundred forty-one point eleven  
2 (441.11); four hundred forty-one point twelve (441.12); and four  
3 hundred forty-one point thirteen (441.13); Code 1946, are hereby  
4 repealed.

1 Sec. 12. Section four hundred forty-one point sixteen  
2 (441.16), Code 1946, is hereby amended by striking from line  
3 eight (8) the words "monies and credits,".

- 1 Sec. 13. This act shall apply to cities under special
- 2 charter.

#### EXPLANATION OF H. F. 69

The bill providing for the repeal of the present tax on monies and credits would eliminate the present five mill tax upon all classes of monies, credits, corporation stock and bonds, except that present laws relating to the taxation of financial corporations such as banks, insurance companies, building and loan associations, finance companies, monied capital engaged in competition with banks, investment companies and dealers in securities are left unchanged. The committee has earlier summarized its conclusions in this regard, and a full discussion of the matter will be found in the report of the Brookings Institution. This bill is one of three relating to this subject which will be summarized separately.

The proposed measure entirely exempts current bank balances, and accounts receivable, and under its provisions no private individual would be subject to any tax upon his monies and credits.

Income from monies and credits continues, of course, to be subject to the state income tax.

The total amount of revenue lost through this repeal would be somewhat in excess of \$1,000,000 annually for the entire state, when consideration is given to revenues which will be received from the continuation of taxes of financial corporations such as banks on a monies and credits basis, and the adoption of a mortgage registry fee as suggested by your committee.