

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

House File 71

January 21, 1947.
Ways and Means.

By McFARLANE and REDMAN.

A BILL FOR

An Act to impose a tax upon corporations not organized under the laws of Iowa and upon individuals, partnerships or other nonincorporated agencies engaged in the business of making loans or investments within the state of Iowa on other than real estate security.

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

1 Section 1. Every corporation not organized under the laws
2 of Iowa and every individual, partnership or other
3 nonincorporated agency engaged in the business of making loans or
4 investments within the state of Iowa on other than real estate
5 security, shall annually on or before the 25th day of January,
6 furnish to the assessor of taxing district in which its principal
7 place of business is located, a verified statement showing
8 specifically with reference to the next year preceding the first
9 day of January then last past; (1) The total amount of money
10 loaned by such financial corporation or loaning agency on
11 security other than real estate or upon unsecured loans outside
12 the state of Iowa; (2) The total assets of such corporation;
13 (3) The total indebtedness of such corporation, or loaning
14 agency excluding indebtedness not relating to the business of
15 loaning money upon security other than real estate, or upon

16 unsecured loans; (4) The location of each place of business
17 maintained within or without the state by such corporation, or
18 loaning agency; (5) The amount of money loaned on security
19 other than real estate or upon unsecured loans by each place of
20 business in Iowa; and such other information as the assessor
21 shall require in order to determine the amount of capital
22 employed in such business within the state of Iowa.

1 Sec. 2. The provisions of this act shall not apply to
2 corporations or agencies which are exempt from taxation under
3 the provisions of the constitution of the United States or
4 federal statutes, or to policy loans made by insurance companies,
5 or to corporations organized under the laws of the state of
6 Iowa.

1 Sec. 3. There is hereby imposed upon capital employed in
2 the business of making loans or investments within the state of
3 Iowa, as determined under the provisions of this act, a tax of
4 five (5) mills on each dollar of such capital; such tax to be
5 considered a tax upon moneys and credits of such corporations
6 and to be apportioned as provided by law to the various taxing
7 districts, as are the proceeds of other taxes on moneys and
8 credits.

1 Sec. 4. The assessor shall, upon the basis of the return
2 made to him under the provisions of this act, determine the
3 amount of capital employed by the maker of the return in the
4 business of making loans or investments within the state of Iowa
5 on other than real estate security, and shall deduct from the

6 amount thus determined a prorata share of the indebtedness of
7 such corporation, individual, partnership or other
8 nonincorporated agency, appertaining to the loaning of money on
9 other than real estate security, a percentage equal to that
10 which the amount of money loaned by such financial corporation
11 in Iowa, unsecured or upon security other than real estate,
12 bears to the total amount loaned by such loaning agency,
13 unsecured or upon security other than real estate outside the
14 state of Iowa. The amount thus determined shall be assessed
15 as moneys and credits.

1 Sec. 5. The state tax commission shall prescribe forms for
2 the making of returns as provided by this act. Any individual,
3 partnership or agency subject to the provisions of this act and
4 which maintains more than one place of business within the state
5 of Iowa, may elect to make the return provided for by this act
6 to the state tax commission, which shall determine the proper
7 assessment to be made in each taxing district in which such
8 taxpayer maintains a place of business, and the results thereof
9 shall be by the state tax commission promptly certified to the
10 county auditors of the respective counties in which offices are
11 maintained, who shall add such assessments to the tax lists. In
12 making such assessments the state tax commission shall determine
13 the proportion of business done by such taxpayer in such taxing
14 district in which a place of business is maintained, and shall
15 assess in each taxing district an amount in proportion to the

16 business done in such taxing district to the amount of business
17 done in the entire state.

1 Sec. 6. All real and tangible personal property of
2 individuals, corporations or agencies subject to the provisions
3 of this act and located within the state of Iowa shall be
4 assessed in the same manner as other real and tangible personal
5 property.

EXPLANATION OF H. F. 71

This bill provides for a 5 mill tax upon capital employed in Iowa by individuals or by a foreign corporation in the business of making loans either unsecured or secured by other property than real estate.

Under present laws, outside corporations engaged in the financing of sales of merchandise, including automobiles, are able, if they desire, to avoid any tax upon the capital employed within the state of Iowa. Individuals engaged in the loaning of money on other than real estate security, whether they are residents of Iowa or non-residents, are made subject to taxation on a similar basis upon their shares of stock under the existing laws.