

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

Senate File 15

January 14, 1947.
Passed on File.

By DYKHOUSE.

A BILL FOR

An Act to provide a permanent suspension or reduction in the personal net income tax, except during periods of necessity for the collection of such tax either at 50 percent of the full rate or at the full rate, and to substitute a sales and use tax during the time such tax is reduced or suspended.

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

1 Section 1. Section four hundred twenty-two point five (422.5),
2 Code 1946, is amended by inserting after line twenty-four (24) the
3 following:
4 "Provided, that beginning with the first day of January, 1947,
5 the rates of tax levied by this section shall be suspended on
6 incomes earned the previous year computed on either a calendar
7 year or fiscal year basis. Such suspension shall continue from
8 year to year except, that, if the executive council shall deter-
9 mine that the condition of any fund, to which the tax when col-
10 lected under this section is or shall be allocated, requires
11 that this suspension shall be inoperative as applied to incomes
12 earned any next previous year then, in that event, the tax shall
13 be collected at either 50 percent of the full rate or at the
14 full rate for that year whichever in their judgment shall be
15 necessary.

16 “The state tax commission shall have power to make such neces-
17 sary rules and regulations for the administration of this section
18 and in all cases where payments are made when not required or
19 made on a rate in excess of that required by this section for any
20 year the commission shall make refunds to such taxpayers, and no
21 application for such refunds shall be necessary. The commission
22 shall provide in its forms for the collection of the tax based
23 on the reduced rate in those years when the reduction is applicable.”

1 Sec. 2. Section four hundred twenty-two point twelve (422.12),
2 Code 1946, is amended by adding thereto the following:

3 “The deductions allowed by this section shall be reduced by
4 50 percent in any year that the rates of taxation imposed by
5 section 422.5 are reduced by a like percentage.”

1 Sec. 3. Section four hundred twenty-two point forty-three
2 (422.43), Code 1946, is amended by adding at the end of the first
3 paragraph the following:

4 “From and after the effective date of this act an additional
5 tax of one percent is hereby imposed each year that the collection
6 of personal net income tax is suspended under the provisions of
7 section 422.5, as amended, on incomes earned the previous year.
8 All the provisions of the code applicable to the levy, collection,
9 and allocation of the two percent tax imposed by this section
10 shall apply to the additional one percent tax herein imposed.”

1 Sec. 4. Section four hundred twenty-three point two (423.2),
2 Code 1946, is amended by adding at the end thereof the following:

3 “From and after the effective date of this act an additional

4 tax of one percent is hereby imposed each year that the collection
5 of personal net income tax is suspended under the provisions of
6 section 422.5, as amended, on incomes earned the previous year. All
7 the provisions of the code applicable to the levy, collection, and
8 allocation of the two percent tax imposed by this section shall
9 apply to the additional one percent tax herein imposed.”

1 Sec. 5. This act being deemed of immediate importance shall
2 be in full force and effect from and after its passage and publica-
3 tion in the, a newspaper published at, and in
4 the, a newspaper published at