

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

Senate File 47

January 21, 1947.
Passed on File.

By BYERS and KEIR.

A BILL FOR

An Act to provide for the assessment of the shares of stock of certain corporations organized under the laws of Iowa; imposing a tax upon the shares of stocks of such corporations; and amending section four hundred thirty-one point one (431.1), Code 1946.

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

1 Section 1. Section four hundred thirty-one point
2 one (431.1), Code 1946, is hereby amended by inserting
3 after the word "in" in line thirteen (13) the words:
4 "real estate or tangible personal property", and by strik-
5 ing from lines thirteen (13) and fourteen (14) the words:
6 "other than moneys and credits".

1 Sec. 2. Subsection twenty-one (21) of section four
2 hundred twenty-seven point one (427.1), Code 1946, is hereby
3 repealed.

1 Sec. 3. Sections four hundred twenty-nine point
2 eleven (429.11); four hundred twenty-nine point twelve
3 (429.12); and four hundred twenty-nine point thirteen
4 (429.13), Code 1946, are hereby repealed.

EXPLANATION OF S. F. 47

This bill amends the section of the code under which certain corporations, mostly of a financial character, including incorporated insurance companies, finance companies,

dealers in bonds and investments and certain other corporations not engaged in manufacturing or merchandising, are now taxed upon their capital stock. Such corporations are subject to a tax upon their assets, deductions being allowed for indebtedness and for real and personal property which are taxed in the usual manner. This bill also includes under the provisions of the proposed act Morris Plan banks and certain other loaning agencies. At the present time organizations such as Morris Plan banks and others operating on similar principles are taxable upon their moneys and credits.

The present law provides that they shall obtain from the state auditor a certificate that they are entitled to be taxed upon their moneys and credits. This law also provides that they shall be subject to examination by the state auditor's office, but the \$25 annual fee charged is not sufficient to meet the cost of such examination and they are not examined.

The effect of the proposed law as to taxes now payable by these loan organizations is very minor. If these corporations are to be licensed by the state and made subject to examination as are small loan companies and building and loan associations, this should be done by direct legislation, and regulations and supervision should be provided for in some other manner than the present law, which is repealed by this bill.

The changes made by this bill would not affect in any way the taxation of banks, small loan companies incorporated under the laws of Iowa, or insurance companies, with the exception that insurance companies which are incorporated would not be permitted to deduct investments in stock of other corporations when held as part of their assets.