

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

Senate File 48

January 21, 1947.
Passed on File.

By BYERS and KEIR.

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

16 The location of each place of business maintained within or with-
17 out the state by such corporation, or loaning agency; (5) The
18 amount of money loaned on security other than real estate or
19 upon unsecured loans by each place of business in Iowa; and
20 such other information as the assessor shall require in order to
21 determine the amount of capital employed in such business within
22 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 the
3 provisions of the constitution of the United States or federal
4 statutes, or to policy loans made by insurance companies, or to
5 corporations organized under the laws of the state of Iowa.

1 Sec. 3. There is hereby imposed upon capital employed
2 in the business of making loans or investments within the state
3 of Iowa, as determined under the provisions of this act, a tax
4 of 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 amount
3 of capital employed by the maker of the return in the business of
4 making loans or investments within the state of Iowa on other than
5 real estate security, and shall deduct from the amount thus de-
6 termined a pro-rata share of the indebtedness of such corporation,

7 individual, partnership or other nonincorporated agency, appert-
8 aining to the loaning of money on other than real estate security,
9 a percentage equal to that which the amount of money loaned by such
10 financial corporation in Iowa, unsecured or upon security other
11 than real estate, bears to the total amount loaned by such loaning
12 agency, unsecured or upon security other than real estate outside
13 the state of Iowa. The amount thus determined shall be assessed
14 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 tax-
8 payer maintains a place of business, and the results thereof shall
9 be by the state tax commission promptly certified to the county
10 auditors of the respective counties in which offices are maintained,
11 who shall add such assessments to the tax lists. In making such
12 assessments the state tax commission shall determine the proportion
13 of business done by such taxpayer in each taxing district in which
14 a place of business is maintained, and shall assess in each tax-
15 ing district an amount in proportion to the business done in such
16 taxing district to the amount of business done in the entire state.

1 Sec. 6. All real and tangible personal property of individ-

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

EXPLANATION OF S. F. 48

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 the same tax. Iowa corporations which engage in this character of business are subject to taxation on a similar basis upon their shares of stock under the existing laws.