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House File 212  
By MEYER.

Passed House, Date..... Passed Senate, Date.....  
Vote: Ayes..... Nays..... Vote: Ayes..... Nays.....  
Approved.....

## A BILL FOR

An Act of levy and provide for the collection of a severance tax on certain natural mineral products and to allocate the tax so collected.

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

1 Section 1. Upon every person engaged in the business of  
2 mining, severing, quarrying or extracting from the lands and  
3 natural resources of the state of Iowa any coal, limestone,  
4 gypsum or gravel or combinations thereof, a tax of five (5)  
5 cents on each standard ton is hereby imposed. Liability for  
6 this tax shall attach at the time and place of severance.  
7 This Act shall not apply to any gravel or stone severed by  
8 the state or any political subdivision thereof.

1 Sec. 2. Within thirty (30) days after the close of each  
2 quarterly period ending respectively March 31, June 30,  
3 September 30 and December 31 of each year every person engaged  
4 in the occupation defined in this Act shall file a quarterly  
5 report under oath covering such period with the state tax  
6 commission in accordance with rules and regulations and upon  
7 such forms as may be prescribed by such commission. The  
8 quarterly reports shall be accompanied by a remittance of the  
9 full amount due thereunder, which amount shall be made payable  
10 to the treasurer of state. Any taxpayer who shall fail or  
11 refuse to file such quarterly report and pay said tax within  
12 the time and in the manner above prescribed shall be deemed

13 delinquent and the delinquent tax shall draw penalty and  
14 interest as is provided by the Code for delinquent property  
15 taxes.

1 Sec. 3. If any person, subject to this Act, shall fail to  
2 make the reports provided for herein, at the time and in the  
3 manner prescribed, the state tax commission shall in such  
4 case, upon such information as it may possess or obtain,  
5 ascertain the amount of the product mined, quarried or severed,  
6 and shall thereupon find and determine the amount of tax due  
7 from such person, and there shall be added thereto a penalty  
8 for failure to report, which penalty shall equal ten (10)  
9 per cent of the tax imposed and shall be treated as a part  
10 thereof.

1 Sec. 4. All books, waybills, inventories, correspondence  
2 and memoranda relating to or used in the transaction of the  
3 business of any person owning or operating a mine, quarry  
4 or pit from which the products taxed by this Act are produced,  
5 shall on demand by the state tax commission or its authorized  
6 representatives be open to inspection and examination. It  
7 shall be unlawful for any person having charge, control or  
8 possession of any of such papers, books or records, to neglect  
9 or refuse on demand to allow full and free access to any or all  
10 of such books, papers or records, as the tax commission or its  
11 authorized representative may require for the purpose of this  
12 Act.

1 Sec. 5. Whenever any taxpayer liable to pay a tax and  
2 penalty, if any, under the provisions of this Act, fails or  
3 refuses to pay the same, the amount, including any interest,  
4 penalty or addition to such tax, together with the costs that

5 may accrue in addition thereto, shall be a lien in favor of  
6 the state upon all property and rights to property, whether  
7 real or personal, belonging to said taxpayer.

8 The lien shall attach at the time the tax becomes due and  
9 payable and shall continue until the liability for such amount  
10 is satisfied.

11 In order to preserve the lien against subsequent mortgages,  
12 purchasers or judgment creditors, the commission shall file with  
13 the recorder of the county where the taxpayer resides or where  
14 his property is located, a notice of said lien.

15 Such notice of lien shall be filed, indexed and satisfied  
16 by the recorder in like manner as is provided by section four  
17 hundred twenty-two point twenty-six (422.26) of the Code  
18 relating to income tax liens.

1 Sec. 6. Any taxpayer who is required by the tax commission  
2 to pay a tax which he deems improper or unlawful in amount may  
3 pay said tax under protest and may recover the same with interest,  
4 provided action is commenced within thirty (30) days after such  
5 payment, in any court of competent jurisdiction.

1 Sec. 7. Moneys collected by the tax provided in this Act  
2 shall not be a part of the state general fund but shall be  
3 paid two-thirds to the school districts of the county in which  
4 the mine, quarry or pit is located and one-third to the state  
5 supplementary school aid fund. The tax commission shall certify  
6 to the comptroller the proper payee and the amount to which it  
7 is entitled and the comptroller shall issue warrants to pay the  
8 same from the moneys held by the treasurer of state for that  
9 purpose.

1     Sec. 8. On or before July 1 of each year, the state board  
2 of public instruction shall compute, as to each school district  
3 in each county in which a severance tax is collected under the  
4 provisions of this Act, the combined number of nontuition  
5 pupils of school age in average daily attendance in the public  
6 schools of the district for the preceding year and the average  
7 number of pupils for which the district pays tuition to another  
8 district. If a district be composed of territory in two (2)  
9 or more counties, such computation shall be made separately  
10 for the pupils residing in each county of such district. By  
11 such method the state board of public instruction shall compute  
12 and ascertain the number of public school pupils in each county  
13 of the state in which a severance tax is collected, allocated  
14 to each school district or portion of school district within  
15 each such county, and the percentage the number of pupils  
16 attending the public schools in each district bears to the  
17 total number of public school students of the county. This  
18 percentage shall be the pro rata amount of severance tax  
19 collected within the county to which each school district is  
20 entitled.

1     Sec. 9. The tax commission shall, at the end of each  
2 fiscal year, commencing with the fiscal year ending June 30,  
3 1963, compute the amount of severance tax collected during  
4 the previous twelve (12) months from each county in the state,  
5 and shall, on or before July 15, report such computation to  
6 the comptroller and to the state board of public instruction.

1     Sec. 10. Upon receipt of the report of the tax commission  
2 and upon the computation of the number of public school pupils  
3 in each county in which a severance tax was collected in the

4 preceding fiscal year, by included districts, the state board  
5 of public instruction shall forthwith compute the proportion  
6 and amount in money to which each school district is entitled  
7 under the provision of section seven (7) of this Act and shall  
8 thereupon certify the same to the comptroller for payment to  
9 the several school districts entitled thereto under the  
10 provisions of this Act.

1 Sec. 11. The moneys received by the school districts under  
2 the provisions of this Act shall become part of the general  
3 fund of such district.

1 Sec. 12. Any person having charge, control or possession  
2 of any books, papers, documents or records which may be required  
3 by the tax commission or its authorized representatives for the  
4 purpose of the determination of any tax claimed to be due  
5 under the provisions of this Act, who shall in any manner  
6 refuse, obstruct or prevent the access of the commission or  
7 its representatives to any of the same, shall be guilty of a  
8 misdemeanor.

1 Sec. 13. "Person" as used in this Act shall be construed  
2 to mean any person, firm, copartnership, association, joint  
3 stock company, joint adventure or corporation, however  
4 organized.

#### EXPLANATION OF HOUSE FILE 212

There is now no severance or "ore" tax in the state of Iowa. When mineral natural resources including coal, gypsum, rock and gravel are removed from the land, the actual and the taxable value of the land is decreased to the loss of the state and its political subdivisions, including school districts.

This bill would levy a "severance" tax on the enumerated minerals upon removal from the land. The tax is five cents per ton. The tax so collected is allocated one-third for supplemental state aid to school and two-thirds to the school districts of any of the county in which the mineral is mined or quarried, and provides a tax lien in case of nonpayment of the tax levied and certain penalties.