

JAN 14 2002
WAYS AND MEANS

HOUSE FILE 2006
BY REYNOLDS, TREMMEL, KREIMAN,
and HEATON

(COMPANION TO LSB 5138SS
BY SHEARER)

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

A BILL FOR

1 An Act relating to the abatement of state sales and use taxes and
2 local sales and service taxes of purchasers of certain access
3 to on-line computer services and providing refunds, and
4 including effective and applicability date provisions.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 2006

1 Section 1. Section 421.60, subsection 2, paragraph m,
2 subparagraphs (2) and (3), Code 2001, are amended to read as
3 follows:

4 (2) The director shall abate the unpaid state sales and
5 use taxes and any local sales and services taxes owed by a
6 retailer where the retailer failed to collect the tax from the
7 purchaser on the charges paid for access to on-line computer
8 services as a result of erroneous written advice issued by the
9 department regarding the taxability of charges paid for access
10 to on-line computer services. To qualify for the abatement
11 under this subparagraph, the erroneous written advice shall
12 have been issued by the department prior to July 1, 1999, and
13 shall have been specially directed to the retailer by the
14 department.

15 If an abatement of unpaid state sales and use taxes and any
16 local sales and services taxes is granted to the retailer by
17 the director pursuant to this subparagraph, the department is
18 precluded from the collection from the purchaser of the unpaid
19 state sales and use taxes and any local sales and services
20 taxes which were abated.

21 (3) The director shall prepare quarterly reports
22 summarizing each case in which abatement of tax, interest, or
23 penalties was made. However, the report shall not disclose
24 the identity of the taxpayer. An abatement authorized by this
25 paragraph to a retailer shall not preclude the department from
26 proceeding to collect the liability from a purchaser, except
27 as provided in subparagraph (2).

28 Sec. 2. REFUNDS. Refunds of taxes, interest, or penalties
29 which arise from claims resulting from the amendment to
30 section 421.60, subsection 2, paragraph "m", subparagraphs (2)
31 and (3), in this Act, for sales on which the state sales and
32 use taxes and any local sales and services taxes were abated
33 pursuant to section 421.60, subsection 2, paragraph "m",
34 subparagraph (2), shall not be allowed unless refund claims
35 are filed prior to March 1, 2002.

