

Redwine
Maddox
Bolkeon

Succeeded By
(SE) HF 517

SSB-1253

Ways & Means

SENATE FILE _____

BY (PROPOSED COMMITTEE ON WAYS
AND MEANS BILL BY CHAIRPERSON
McKIBBEN)

Passed Senate, Date _____

Passed House, Date _____

Vote: Ayes _____ Nays _____

Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act establishing an interstate distribution center initiative
2 by identifying an activity of a foreign corporation which does
3 not constitute doing business in or deriving income from
4 sources within the state and for which a return is not
5 required for state income tax purposes and including effective
6 and retroactive applicability date provisions.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 422.34A, Code 2001, is amended by
2 adding the following new subsection:

3 NEW SUBSECTION. 8. Storing tangible personal property
4 which are not intended for sale in Iowa for ninety days or
5 less in a warehouse located in Iowa which is not owned by the
6 corporation.

7 Sec. 2. Section 422.36, Code 2001, is amended by adding
8 the following new subsection:

9 NEW SUBSECTION. 6. A foreign corporation is not required
10 to file a return if its only activities in Iowa are described
11 in section 422.34A, subsection 8, provided that none of the
12 tangible personal property is delivered or shipped so as to be
13 included in the gross sales of the corporation within this
14 state as provided in section 422.33, subsection 2, paragraph
15 "b", subparagraph (6).

16 Sec. 3. EFFECTIVE AND APPLICABILITY DATES. This Act,
17 being deemed of immediate importance, takes effect upon
18 enactment and applies retroactively to January 1, 2001, for
19 tax years beginning on or after that date.

20 EXPLANATION

21 The bill provides that an activity of a foreign corporation
22 which involves the storing of tangible personal property which
23 is not intended for sale in Iowa for 90 days or less in a
24 warehouse located in Iowa which is not owned by the
25 corporation does not constitute doing business within the
26 state or deriving income from sources within the state for
27 purposes of the imposition of the state corporate income tax.
28 The bill also provides that an income tax return is not
29 required to be filed if such storage is its only activity and
30 the stored property is not delivered or shipped so as to be
31 included as part of the corporation's gross sales within the
32 state.

33 The bill takes effect upon enactment and applies
34 retroactively to January 1, 2001, for tax years beginning on
35 or after that date.

Substituted for by HF 707
4/19/01 (P. 1201)

FILED APR 3 2001

SENATE FILE 517
BY COMMITTEE ON WAYS AND MEANS

WITHDRAWN
4/23/01

(SUCCESSOR TO SSB 1253)
(COMPANION TO HF 707 BY
COMMITTEE ON WAYS AND MEANS)

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

A BILL FOR

1 An Act establishing an interstate distribution center initiative
2 by identifying an activity of a foreign corporation for which
3 a return is not required for state income tax purposes and
4 including effective and retroactive applicability date
5 provisions.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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SF 517

1 Section 1. Section 422.36, Code 2001, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 6. A foreign corporation is not required
4 to file a return if its only activities in Iowa are the
5 storage of goods for a period of sixty consecutive days or
6 less in a warehouse for hire located in this state whereby the
7 foreign corporation transports or causes a carrier to
8 transport such goods to that warehouse and provided that none
9 of the goods are delivered or shipped so as to be included in
10 the gross sales of the corporation within this state as
11 provided in section 422.33, subsection 2, paragraph "b",
12 subparagraph (6).

13 Sec. 2. EFFECTIVE AND APPLICABILITY DATES. This Act,
14 being deemed of immediate importance, takes effect upon
15 enactment and applies retroactively to January 1, 2001, for
16 tax years beginning on or after that date.

17 EXPLANATION

18 This bill provides that a foreign corporation is not
19 required to file an income tax return if its only activity
20 involves the storing of tangible personal property in Iowa for
21 60 consecutive days or less in a warehouse located in Iowa if
22 such storage is its only activity and the stored property is
23 not delivered or shipped so as to be included as part of the
24 corporation's gross sales within the state.

25 The bill takes effect upon enactment and applies
26 retroactively to January 1, 2001, for tax years beginning on
27 or after that date.

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