

FEB 18 2005  
WAYS AND MEANS

HOUSE FILE 344  
BY KAUFMANN

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

1 An Act appropriating state franchise tax revenues to cities and  
2 counties.

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

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HF 344

1 Section 1. Section 331.427, subsection 1, unnumbered  
2 paragraph 1, Code 2005, is amended to read as follows:

3 Except as otherwise provided by state law, county revenues  
4 from taxes and other sources for general county services shall  
5 be credited to the general fund of the county, including  
6 revenues received under sections 9I.11, 101A.3, 101A.7,  
7 123.36, 123.143, 142B.6, 176A.8, 321.105, 321.152, 321G.7,  
8 321I.8, section 331.554, subsection 6, sections 341A.20,  
9 364.3, 368.21, 422.65, 423A.2, 428A.8, 430A.3, 433.15, 434.19,  
10 445.57, 453A.35, 458A.21, 483A.12, 533.24, 556B.1, 583.6,  
11 602.8108, 904.908, and 906.17, and the following:

12 Sec. 2. NEW SECTION. 422.65 ALLOCATION OF REVENUE.

13 All moneys received from the franchise tax shall be  
14 deposited in the general fund of the state. Commencing with  
15 the fiscal year beginning July 1, 2005, there is appropriated  
16 for each fiscal year from the franchise tax money received and  
17 deposited in the general fund of the state the sum of eight  
18 million eight hundred thousand dollars which shall be paid  
19 quarterly on warrants by the director, after certification by  
20 the director, as follows:

21 1. Sixty percent to the general fund of the city from  
22 which the tax is collected.

23 2. Forty percent to the county from which the tax is  
24 collected.

25 If the financial institution maintains one or more offices  
26 for the transaction of business, other than its principal  
27 office, a portion of its franchise tax shall be allocated to  
28 each office, based upon a reasonable measure of the business  
29 activity of each office. The director shall prescribe, for  
30 each type of financial institution, a method of measuring the  
31 business activity of each office. Financial institutions  
32 shall furnish all necessary information for this purpose at  
33 the request of the director.

34 Quarterly, the director shall certify to the treasurer of  
35 state the amounts to be paid to each city and county from the

1 general fund of the state. All moneys received from the  
2 franchise tax are appropriated according to the provisions of  
3 this section.

4 EXPLANATION

5 This bill reenacts the annual appropriation of \$8.8 million  
6 of state franchise tax revenues and its allocation to cities  
7 and counties. This annual appropriation and allocation were  
8 repealed in 2003 Iowa Acts, chapter 178, section 11. The  
9 annual appropriation and allocation will commence with the  
10 fiscal year beginning July 1, 2005.

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