

MAR 1 1 2005
WAYS AND MEANS

HOUSE FILE 734
BY PAULSEN and J.K. VAN FOSSEN

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

A BILL FOR

1 An Act relating to the repeal of the sourcing rules under the
2 state sales and use taxes.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 423.57, Code 2005, is amended to read
2 as follows:

3 423.57 STATUTES APPLICABLE.

4 The director shall administer this subchapter as it relates
5 to the taxes imposed in this chapter in the same manner and
6 subject to all the provisions of, and all of the powers,
7 duties, authority, and restrictions contained in sections
8 423.14, ~~423.15~~, ~~423.16~~, ~~423.17~~, ~~423.18~~, ~~423.19~~, ~~423.20~~,
9 423.21, 423.22, 423.23, 423.24, 423.25, 423.28, 423.29,
10 423.31, 423.32, 423.33, 423.34, 423.35, 423.37, 423.38,
11 423.39, 423.40, 423.41, and 423.42, section 423.43, subsection
12 3, and sections 423.45, 423.46, and 423.47.

13 Sec. 2. Section 423B.6, subsection 2, paragraph b, Code
14 2005, is amended to read as follows:

15 b. The ordinance of a county board of supervisors imposing
16 a local sales and services tax shall adopt by reference the
17 applicable provisions of the appropriate sections of chapter
18 423. All powers and requirements of the director to
19 administer the state sales tax law and use tax law are
20 applicable to the administration of a local sales and services
21 tax law and the local excise tax, including but not limited to
22 the provisions of section 422.25, subsection 4, sections
23 422.30, 422.67, and 422.68, section 422.69, subsection 1,
24 sections 422.70 to 422.75, section 423.14, subsection 1 and
25 subsection 2, paragraphs "b" through "e", and sections ~~423.15~~,
26 423.23, 423.24, 423.25, 423.31 to 423.35, 423.37 to 423.42,
27 423.46, and 423.47. Local officials shall confer with the
28 director of revenue for assistance in drafting the ordinance
29 imposing a local sales and services tax. A certified copy of
30 the ordinance shall be filed with the director as soon as
31 possible after passage.

32 Sec. 3. Section 423C.4, Code 2005, is amended to read as
33 follows:

34 423C.4 ADMINISTRATION AND ENFORCEMENT.

35 All powers and requirements of the director of revenue to

1 administer the state sales tax law under chapter 423 are
2 applicable to the administration of the tax imposed under
3 section 423C.3, including but not limited to section 422.25,
4 subsection 4, sections 422.30, 422.67, and 422.68, section
5 422.69, subsection 1, sections 422.70 through 422.75, section
6 423.14, subsection 1, and sections ~~423.15~~, 423.23, 423.24,
7 423.25, 423.31, 423.33, 423.35 and 423.37 through 423.42,
8 423.45, 423.46, and 423.47. However, as an exception to the
9 powers specified in section 423.31, the director shall only
10 require the filing of quarterly reports.

11 Sec. 4. Sections 423.15 through 423.20, Code 2005, are
12 repealed.

13 EXPLANATION

14 This bill repeals the various sourcing rules under the
15 state sales and use taxes. These sourcing rules are part of
16 the streamlined sales and use tax agreement and provide the
17 method for determining which transactions are to be taxed by
18 which state. By repealing these rules, the state is basically
19 in noncompliance with the streamlined sales and use tax
20 agreement as provided for in Code section 423.11(2).

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