

FEB 7 2006
WAYS AND MEANS

HOUSE FILE 2257
BY THOMAS

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

A BILL FOR

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

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

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HF 2257

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

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

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

14 All moneys received from the franchise tax shall be
15 deposited in the general fund of the state. Commencing with
16 the fiscal year beginning July 1, 2006, there is appropriated
17 for each fiscal year from the franchise tax moneys received
18 and deposited in the general fund of the state the sum of
19 eight million eight hundred thousand dollars which shall be
20 paid quarterly on warrants by the director, after
21 certification by the director, as follows:

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

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

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

35 Quarterly, the director shall certify to the treasurer of

1 state the amounts to be paid to each city and county from the
2 general fund of the state. All moneys received from the
3 franchise tax are appropriated according to the provisions of
4 this section.

5 EXPLANATION

6 This bill reenacts the annual appropriation of \$8.8 million
7 of state franchise tax revenues and its allocation to cities
8 and counties. This annual appropriation and allocation were
9 repealed in 2003 Iowa Acts, chapter 178, section 11. The
10 annual appropriation and allocation will commence with the
11 fiscal year beginning July 1, 2006.

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