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SENATE FILE 387  
BY DVORSKY and RIELLY

WAYS & MEANS

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

**A BILL FOR**

1 An Act relating to the disposition of certain real estate  
2 transfer tax receipts by the treasurer of state.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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SF 387  
WAYS & MEANS

1 Section 1. Section 428A.8, Code 2005, is amended to read  
2 as follows:

3 428A.8 REMITTANCE TO STATE TREASURER -- PORTION RETAINED  
4 IN COUNTY.

5 1. On or before the tenth day of each month the county  
6 recorder shall determine and pay to the treasurer of state  
7 ~~eighty-two-and-three-fourths-percent~~ the applicable percentage  
8 of the receipts from the real estate transfer tax collected  
9 during the preceding month as determined in subsection 2 and  
10 the treasurer of state shall deposit ~~ninety-five-percent-of~~  
11 ~~the-receipts-in-the-general-fund-of-the-state~~ and transfer  
12 ~~five-percent-of~~ the receipts ~~to-the-shelter-assistance-fund~~  
13 ~~created-in-section-15-349~~ as provided in subsection 3.

14 The county recorder shall deposit the remaining ~~seventeen~~  
15 ~~and-one-fourth-percent-of-the~~ receipts in the county general  
16 fund.

17 Any tax or additional tax found to be due shall be  
18 collected by the county recorder. If the county recorder is  
19 unable to collect the tax, the director of revenue shall  
20 collect the tax in the same manner as taxes are collected in  
21 chapter 422, division III. If collected by the director of  
22 revenue, the director shall pay the county its proportionate  
23 share of the tax. Section 422.25, subsections 1, 2, 3, and 4,  
24 and sections 422.26, 422.28 through 422.30, and 422.73,  
25 consistent with this chapter, apply with respect to the  
26 collection of any tax or additional tax found to be due, in  
27 the same manner and with the same effect as if the deed,  
28 instrument, or writing were an income tax return within the  
29 meaning of those statutes.

30 The county recorder shall keep records and make reports  
31 with respect to the real estate transfer tax as the director  
32 of revenue prescribes.

33 2. The "applicable percentage" for purposes of subsection  
34 1 is the following:

35 a. For the fiscal year beginning July 1, 2005, sixty-two

1 and one-quarter percent.

2 b. For the fiscal year beginning July 1, 2006, fifty-eight  
3 and three-twentieths percent.

4 c. For the fiscal year beginning July 1, 2007, fifty-four  
5 and one-twentieth percent.

6 d. For the fiscal year beginning July 1, 2008, forty-nine  
7 and nineteen-twentieths percent.

8 e. For the fiscal year beginning July 1, 2009, forty-five  
9 and seventeen-twentieths percent.

10 f. For the fiscal year beginning July 1, 2010, and each  
11 fiscal year thereafter, forty-one and three-quarters percent.

12 3. The treasurer of state shall deposit or transfer the  
13 receipts paid the treasurer of state pursuant to subsection 1  
14 to either the general fund of the state, the housing trust  
15 fund created in section 16.181, or the shelter assistance fund  
16 created in section 15.349 as follows:

17 a. For the fiscal year beginning July 1, 2005, seventy  
18 percent of the receipts shall be deposited in the general  
19 fund, twenty-five percent of the receipts shall be transferred  
20 to the housing trust fund, and five percent of the receipts  
21 shall be transferred to the shelter assistance fund.

22 b. For the fiscal year beginning July 1, 2006, sixty-five  
23 percent of the receipts shall be deposited in the general  
24 fund, thirty percent of the receipts shall be transferred to  
25 the housing trust fund, and five percent of the receipts shall  
26 be transferred to the shelter assistance fund.

27 c. For the fiscal year beginning July 1, 2007, sixty  
28 percent of the receipts shall be deposited in the general  
29 fund, thirty-five percent of the receipts shall be transferred  
30 to the housing trust fund, and five percent of the receipts  
31 shall be transferred to the shelter assistance fund.

32 d. For the fiscal year beginning July 1, 2008, fifty-five  
33 percent of the receipts shall be deposited in the general  
34 fund, forty percent of the receipts shall be transferred to  
35 the housing trust fund, and five percent of the receipts shall

1 be transferred to the shelter assistance fund.

2 e. For the fiscal year beginning July 1, 2009, and each  
3 fiscal year thereafter, fifty percent of the receipts shall be  
4 deposited in the general fund, forty-five percent of the  
5 receipts shall be transferred to the housing trust fund, and  
6 five percent of the receipts shall be transferred to the  
7 shelter assistance fund.

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EXPLANATION

9 This bill relates to the disposition of certain real estate  
10 transfer tax receipts by the treasurer of state and provides  
11 an applicability date.

12 Currently, when there is consideration and the actual  
13 market value of the real property transferred is in excess of  
14 \$500, the tax is 80 cents for each \$500 or fractional part of  
15 \$500 in excess of \$500. On or before the 10th day of each  
16 month the county recorder determines and pays to the treasurer  
17 of state 82.75 percent of the receipts from the real estate  
18 transfer tax collected during the preceding month and the  
19 treasurer of state deposits 95 percent of the receipts in the  
20 general fund of the state and transfers 5 percent of the  
21 receipts to the shelter assistance fund.

22 The bill reduces the percentage of the receipts that a  
23 county recorder pays to the treasurer of state each month.  
24 For the fiscal year beginning July 1, 2005, the county  
25 recorder shall pay to the treasurer of state 62.25 percent of  
26 the receipts from the real estate transfer tax collected  
27 during the preceding month. The reduction is 4.1 percent each  
28 year thereafter and, by the fiscal year beginning July 1,  
29 2010, and each fiscal year thereafter, the county recorder  
30 shall pay to the treasurer of state 41.75 percent of the  
31 receipts.

32 The bill modifies the use of the receipts that are paid to  
33 the treasurer of state each month. For the fiscal year  
34 beginning July 1, 2005, the bill reduces the percentage of  
35 receipts deposited in the general fund to 70 percent and the

1 percentage is reduced each fiscal year thereafter by 5  
2 percent. By the fiscal year beginning July 1, 2009, and each  
3 fiscal year thereafter, 50 percent of the receipts received by  
4 the treasurer of state shall be deposited in the general fund.  
5 For the fiscal year beginning July 1, 2005, the bill increases  
6 the percentage of receipts transferred to the housing trust  
7 fund to 25 percent and the percentage is increased each fiscal  
8 year by 5 percent. By the fiscal year beginning July 1, 2009,  
9 and each fiscal year thereafter, 45 percent of the receipts  
10 received by the treasurer of state shall be transferred to the  
11 housing trust fund. The bill does not modify the percentage  
12 of receipts being transferred to the shelter assistance fund.

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