

Senate File 2367

H-8382

1 Amend Senate File 2367, as passed by the Senate, as follows:

2 1. By striking everything after the enacting clause and
3 inserting:

4 <DIVISION I

5 SALES, USE, AND EXCISE TAX — RETURNS DUE

6 Section 1. Section 9C.3, subsection 3, Code 2022, is amended
7 to read as follows:

8 3. The application shall state whether or not the applicant
9 has an Iowa retailers sales or use tax permit and if the
10 applicant has such permit, shall state the number of such
11 permit.

12 Sec. 2. Section 9C.5, Code 2022, is amended to read as
13 follows:

14 **9C.5 Issuance of license.**

15 Upon receiving an application for a transient merchant's
16 license, the secretary of state shall investigate or cause to
17 be investigated, the reputation and character of the applicant.
18 If, upon making such investigation, the secretary of state is
19 satisfied that the statements and representations contained in
20 the application are true, and that the applicant is of good
21 reputation and character, and the holder of an Iowa ~~retailer's~~
22 sales or use tax permit, and if a foreign corporation, has
23 authority to do business in the state of Iowa, the secretary
24 shall issue to the applicant a license as a transient merchant
25 upon payment of the fee as herein prescribed for the period of
26 time requested in said application and for use at the location
27 and place where it is stated in said application the sale will
28 be held or the business conducted, both of which shall be set
29 out in said license. Such license shall be valid only for the
30 period of time and at the location and place described therein.

31 Sec. 3. Section 99G.30A, subsection 2, paragraph c, Code
32 2022, is amended to read as follows:

33 c. Frequency of deposits and ~~quarterly~~ monthly reports of
34 the monitor vending machine excise tax with the department of
35 revenue are governed by the tax provisions in [section 423.31](#).

1 Monitor vending machine excise tax collections shall not be
2 included in computation of the total tax to determine frequency
3 of filing under [section 423.31](#).

4 Sec. 4. Section 321.105A, subsection 4, paragraph b, Code
5 2022, is amended to read as follows:

6 b. [Section 422.25, subsection 4, sections 422.30, 422.67,](#)
7 [and 422.68, section 422.69, subsection 1, sections 422.70,](#)
8 [422.71, 422.72, 422.74, and 422.75, section 423.14, subsection](#)
9 [2, and sections 423.23, 423.24, 423.25, ~~423.32~~, 423.33, 423.35,](#)
10 [423.37 through 423.42, 423.45, and 423.47,](#) consistent with the
11 provisions of [this section](#), apply with respect to the fees
12 for new registration authorized under [this section](#) in the
13 same manner and with the same effect as if the fees for new
14 registration were retail use taxes within the meaning of those
15 statutes.

16 Sec. 5. Section 421.26, Code 2022, is amended to read as
17 follows:

18 **421.26 Personal liability for tax due.**

19 If a licensee or other person under [section 452A.65](#), a
20 retailer or purchaser under [chapter 423A, 423B, 423C, 423D,](#)
21 [or 423E, or section 423.14, 423.14A, 423.29, 423.31, ~~423.32~~,](#)
22 [or 423.33,](#) or a user under [section 423.34](#), or a permit holder
23 or licensee under [section 453A.13, 453A.16, or 453A.44](#) fails
24 to pay a tax under those sections when due, an officer of a
25 corporation or association, notwithstanding [section 489.304](#),
26 a member or manager of a limited liability company, or a
27 partner of a partnership, having control or supervision of
28 or the authority for remitting the tax payments and having
29 a substantial legal or equitable interest in the ownership
30 of the corporation, association, limited liability company,
31 or partnership, who has intentionally failed to pay the tax
32 is personally liable for the payment of the tax, interest,
33 and penalty due and unpaid. However, [this section](#) shall
34 not apply to taxes on accounts receivable. The dissolution
35 of a corporation, association, limited liability company,

1 or partnership shall not discharge a person's liability for
2 failure to remit the tax due.

3 Sec. 6. Section 423.2, subsection 1, paragraph b, Code 2022,
4 is amended to read as follows:

5 b. Sales of building materials, supplies, and equipment
6 to owners, contractors, subcontractors, or builders for the
7 erection of buildings or the alteration, repair, or improvement
8 of real property are retail sales of tangible personal property
9 in whatever quantity sold. Where the owner, contractor,
10 subcontractor, or builder is also a retailer holding a ~~retail~~
11 sales or use tax permit and transacting retail sales of
12 building materials, supplies, and equipment, the person shall
13 purchase such items of tangible personal property without
14 liability for the tax if such property will be subject to the
15 tax at the time of resale or at the time it is withdrawn from
16 inventory for construction purposes. The sales tax shall be
17 due in the reporting period when the materials, supplies,
18 and equipment are withdrawn from inventory for construction
19 purposes or when sold at retail. The tax shall not be due when
20 materials are withdrawn from inventory for use in construction
21 outside of Iowa and the tax shall not apply to tangible
22 personal property purchased and consumed by the manufacturer as
23 building materials in the performance by the manufacturer or
24 its subcontractor of construction outside of Iowa. The sale
25 of carpeting is not a sale of building materials. The sale of
26 carpeting to owners, contractors, subcontractors, or builders
27 shall be treated as the sale of ordinary tangible personal
28 property and subject to the tax imposed under [this subsection](#)
29 and the use tax.

30 Sec. 7. Section 423.3, subsection 39, paragraph a,
31 subparagraph (2), Code 2022, is amended to read as follows:

32 (2) The sale of all or substantially all of the tangible
33 personal property, or specified digital products, or services
34 held or used by a seller in the course of the seller's trade
35 or business for which the seller is required to hold a sales

1 or use tax permit when the seller sells or otherwise transfers
2 the trade or business to another person who shall engage in a
3 similar trade or business.

4 Sec. 8. Section 423.3, subsection 80, paragraph d, Code
5 2022, is amended to read as follows:

6 d. Subject to the limitations in paragraph "c", where the
7 owner, contractor, subcontractor, or builder is also a retailer
8 holding a retail sales or use tax permit and transacting
9 retail sales of building materials, supplies, and equipment,
10 the tax shall not be due when materials are withdrawn from
11 inventory for use in construction performed for a designated
12 exempt entity if an exemption certificate is received from such
13 entity.

14 Sec. 9. Section 423.3, subsection 104, paragraph b,
15 subparagraph (1), Code 2022, is amended to read as follows:

16 (1) "*Commercial enterprise*" means the same as defined in
17 section 423.3, subsection 47, paragraph "d", subparagraph (1),
18 but also includes professions and occupations, and includes
19 public utilities as defined in section 476.1, subsection 3.

20 Sec. 10. Section 423.5, subsection 2, Code 2022, is amended
21 to read as follows:

22 2. The excise tax is imposed upon every person using
23 the property within this state until the tax has been paid
24 directly to the county treasurer, the state department of
25 transportation, a retailer, or the department. This tax is
26 imposed on every person using the services or the product of
27 the services in this state until the user has paid the tax
28 either to an Iowa sales or use tax permit holder or to the
29 department.

30 Sec. 11. Section 423.14, subsection 2, paragraph b, Code
31 2022, is amended to read as follows:

32 b. The tax upon the use of all tangible personal property
33 and specified digital products other than that enumerated in
34 paragraph "a", which is sold by a seller who is a retailer or
35 its agent that is not otherwise required to collect sales tax

1 under the provisions of [this chapter](#), may be collected by the
2 retailer or agent and remitted to the department, pursuant to
3 the provisions of paragraph "e", and [sections 423.24, 423.29,](#)
4 [423.30, 423.32](#) [423.31](#), and [423.33](#).

5 Sec. 12. Section 423.14A, subsection 3, paragraph c,
6 subparagraph (2), Code 2022, is amended to read as follows:

7 (2) A marketplace facilitator shall collect sales and
8 use tax on the entire sales price or purchase price paid by
9 a purchaser on each Iowa sale subject to sales and use tax
10 that is made or facilitated by the marketplace facilitator,
11 regardless of whether the marketplace seller for whom an Iowa
12 sale is made or facilitated has or is required to have a ~~retail~~
13 sales or use tax permit or would have been required to collect
14 sales and use tax had the sale not been facilitated by the
15 marketplace facilitator, and regardless of the amount of the
16 sales price or purchase price that will ultimately accrue
17 to or benefit the marketplace facilitator, the marketplace
18 seller, or any other person. This sales and use tax collection
19 responsibility of a marketplace facilitator applies but shall
20 not be limited to sales facilitated through a computer software
21 application, commonly referred to as in-app purchases, or
22 through another specified digital product.

23 Sec. 13. Section 423.31, subsections 1, 3, 5, and 6, Code
24 2022, are amended to read as follows:

25 1. a. ~~Each~~ Except as provided in paragraph "b", each person
26 subject to [this section](#) and [section 423.36](#) and in accordance
27 with the provisions of [this section](#) and [section 423.36](#) shall,
28 on or before the last day of the month following the close of
29 each calendar ~~quarter~~ month during which such person is or
30 has become or ceased being subject to the provisions of this
31 section and [section 423.36](#), make, sign, and file electronically
32 a return for the calendar ~~quarter~~ month in the form as may be
33 required. Returns shall show information relating to sales
34 prices including tangible personal property, specified digital
35 products, and services converted to the use of such person,

1 the amounts of sales prices excluded and exempt from the tax,
2 the amounts of sales prices subject to tax, a calculation of
3 tax due, and any other information for the period covered by
4 the return as may be required. Returns shall be signed by
5 the retailer or the retailer's authorized agent and must be
6 certified by the retailer to be correct in accordance with
7 forms and rules prescribed by the director. A person required
8 to file a sales or use tax return who is unable to do so may
9 request permission from the director to file a return by
10 another method.

11 b. Notwithstanding paragraph "a", each person subject to
12 this section who collects and remits less than one thousand
13 two hundred dollars in sales or use tax to the department per
14 calendar year may file a return on or before the last day of the
15 month following the close of the calendar year.

16 ~~3. The sales tax forms prescribed by the director shall be~~
17 ~~referred to as "retailers tax deposit". Deposit forms shall~~
18 ~~be signed by the retailer or the retailer's duly authorized~~
19 ~~agent, and shall be duly certified by the retailer or agent to~~
20 ~~be correct.~~ The director may authorize incorporated banks and
21 trust companies or other depositories authorized by law which
22 are depositories or financial agents of the United States,
23 or of this state, to receive any sales or use tax imposed
24 under this chapter, in the manner, at the times, and under
25 the conditions the director prescribes. The director shall
26 prescribe the manner, times, and conditions under which the
27 receipt of the tax by those depositories is to be treated as
28 payment of the tax to the department.

29 5. a. Upon making application and receiving approval
30 from the director, a person and its affiliates that make
31 retail sales of tangible personal property, specified digital
32 products, or taxable enumerated services may make deposits and
33 file a consolidated sales or use tax return for the affiliated
34 group, pursuant to rules adopted by the director. A person and
35 each affiliate that files a consolidated return are jointly and

1 severally liable for all tax, penalty, and interest found due
2 for the tax period for which a consolidated return is filed or
3 required to be filed.

4 **b.** A business required to file a consolidated sales or use
5 tax return shall file a form entitled "schedule of consolidated
6 business locations" with its ~~quarterly~~ sales or use tax
7 return that shows the taxpayer's consolidated permit number,
8 the permit number for each Iowa business location, the state
9 sales tax amount by business location, and the amount of state
10 sales tax due on goods consumed that are not assigned to a
11 specific business location. Consolidated ~~quarterly~~ sales or
12 use tax returns that are not accompanied by the schedule of
13 consolidated business locations form are considered incomplete
14 and are subject to penalty under [section 421.27](#).

15 **6.** If necessary or advisable in order to ~~insure~~ ensure
16 the payment of the tax, the director may require returns and
17 payment of the tax to be made for other than ~~quarterly~~ monthly
18 periods, the provisions of [this section](#) or other provision to
19 the contrary notwithstanding.

20 Sec. 14. Section 423.31, subsection 2, Code 2022, is amended
21 by striking the subsection.

22 Sec. 15. Section 423.33, subsection 1, paragraph a, Code
23 2022, is amended to read as follows:

24 **a.** If a purchaser fails to pay sales tax to the retailer
25 required to collect the tax, then in addition to all of the
26 rights, obligations, and remedies provided, a use tax is
27 payable by the purchaser directly to the department, and
28 sections 423.31, ~~423.32~~, [423.37](#), [423.38](#), [423.39](#), [423.40](#),
29 [423.41](#), and [423.42](#) apply to the purchaser.

30 Sec. 16. Section 423.33, subsection 3, Code 2022, is amended
31 to read as follows:

32 **3.** *Event sponsor's liability for sales tax.* A person
33 sponsoring a flea market or a craft, antique, coin, or stamp
34 show or similar event shall obtain from every retailer selling
35 tangible personal property, specified digital products, or

1 taxable services at the event proof that the retailer possesses
2 a valid sales or use tax permit or secure from the retailer
3 a statement, taken in good faith, that tangible personal
4 property, specified digital products, or services offered for
5 sale are not subject to sales tax. Failure to do so renders
6 a sponsor of the event liable for payment of any sales tax,
7 interest, and penalty due and owing from any retailer selling
8 property or services at the event. Sections 423.31, ~~423.32~~,
9 423.37, 423.38, 423.39, 423.40, 423.41, and 423.42 apply to the
10 sponsors. For purposes of this subsection, a "person sponsoring
11 a flea market or a craft, antique, coin, or stamp show or similar
12 event" does not include a marketplace facilitator as defined in
13 section 423.14A, subsection 1, an organization which sponsors
14 an event determined to qualify as an event involving casual
15 sales pursuant to section 423.3, subsection 39, or the state
16 fair or a fair as defined in section 174.1.

17 Sec. 17. Section 423.34, Code 2022, is amended to read as
18 follows:

19 **423.34 Liability of user.**

20 Any person who uses any tangible personal property,
21 specified digital products, or services enumerated in section
22 423.2 upon which the use tax has not been paid, either to the
23 county treasurer or to a retailer or direct to the department
24 as required by this subchapter, shall be liable for the payment
25 of tax, and shall on or before the last day of the month next
26 succeeding each ~~quarterly~~ monthly period pay the use tax upon
27 all tangible personal property, specified digital products,
28 or services used by the person during the preceding ~~quarterly~~
29 monthly period in the manner and accompanied by such returns
30 as the director shall prescribe. All of the provisions of
31 sections ~~423.32~~ 423.31 and 423.33 with reference to the returns
32 and payments shall be applicable to the returns and payments
33 required by this section.

34 Sec. 18. Section 423.36, subsection 4, paragraph b, Code
35 2022, is amended to read as follows:

1 *b.* If an applicant is making sales outside Iowa for use in
2 this state or furnishing services outside Iowa, the product
3 or result of which will be used in this state, that applicant
4 shall be issued one sales or use tax permit by the department
5 applicable to these out-of-state sales or services.

6 Sec. 19. Section 423.36, subsection 4, Code 2022, is amended
7 by adding the following new paragraph:

8 NEW PARAGRAPH. *c.* If an applicant is required to collect
9 sales or use tax and is not included in the definition of a
10 retailer maintaining a place of business in this state in
11 section 423.1, subsection 48, paragraph “a”, subparagraph (1),
12 the applicant shall be issued one sales or use tax permit by
13 the department regardless of the number of locations from which
14 sales are made.

15 Sec. 20. Section 423.36, subsections 7 and 8, Code 2022, are
16 amended to read as follows:

17 7. *a.* Sellers who are not regularly engaged in selling
18 at retail and do not have a permanent place of business, but
19 who are temporarily engaged in selling from trucks, portable
20 roadside stands, concessionaires at state, county, district,
21 or local fairs, carnivals, or the like, shall report and remit
22 the sales tax on a ~~temporary~~ seasonal basis, under rules
23 the director shall provide for the efficient collection of
24 the sales tax. This subsection applies to sellers who are
25 temporarily engaged in furnishing services.

26 *b.* Persons engaged in selling tangible personal property,
27 specified digital products, or furnishing services shall not
28 be required to obtain or retain a sales or use tax permit for a
29 place of business at which taxable sales of tangible personal
30 property, specified digital products, or taxable performance of
31 services will not occur.

32 8. The provisions of subsection 1, dealing with the lawful
33 right of a retailer to transact business, as applicable, apply
34 to persons having receipts from furnishing services enumerated
35 in section 423.2, except that a person holding a permit

1 pursuant to [subsection 1](#) shall not be required to obtain any
2 separate sales or use tax permit for the purpose of engaging in
3 business involving the services.

4 Sec. 21. Section 423.40, subsections 1, 2, 3, and 5, Code
5 2022, are amended to read as follows:

6 1. In addition to the sales or use tax or additional sales
7 or use tax, the taxpayer shall pay a penalty as provided in
8 section 421.27. The taxpayer shall also pay interest on the
9 sales or use tax or additional sales or use tax at the rate
10 in effect under [section 421.7](#) for each month counting each
11 fraction of a month as an entire month, computed from the date
12 the ~~semimonthly or monthly tax deposit form or~~ return was
13 required to be filed. The penalty and interest shall be paid
14 to the department and disposed of in the same manner as other
15 receipts under [this subchapter](#). Unpaid penalties and interest
16 may be enforced in the same manner as the taxes imposed by this
17 chapter.

18 2. *a.* Any person who knowingly sells tangible personal
19 property, specified digital products, tickets or admissions
20 to places of amusement and athletic events, or gas, water,
21 electricity, or communication service at retail, or engages in
22 the furnishing of services enumerated in [section 423.2](#), in this
23 state without procuring a permit to collect tax, as provided
24 in [section 423.36](#), or who violates [section 423.24](#) and the
25 officers of any corporation who so act are guilty of a serious
26 misdemeanor.

27 *b.* A person who knowingly sells tangible personal property,
28 specified digital products, tickets or admissions to places of
29 amusement and athletic events, or gas, water, electricity, or
30 communication service at retail, or engages in the furnishing
31 of services enumerated in [section 423.2](#), in this state after
32 the person's sales or use tax permit has been revoked and
33 before it has been restored as provided in section 423.36,
34 subsection 6, and the officers of any corporation who so act
35 are guilty of an aggravated misdemeanor.

1 3. A person who willfully attempts in any manner to evade
2 any tax imposed by [this chapter](#) or the payment of the tax or
3 a person who makes or causes to be made a false or fraudulent
4 ~~semimonthly or monthly tax deposit form or~~ return with intent
5 to evade any tax imposed by [subchapter II](#) or [III](#) or the payment
6 of the tax is guilty of a class "D" felony.

7 5. A person required to pay sales or use tax, or to make,
8 sign, or file a ~~tax deposit form or~~ return or supplemental
9 return, who willfully makes a false or fraudulent ~~tax deposit~~
10 ~~form or~~ return, or willfully fails to pay at least ninety
11 percent of the tax or willfully fails to make, sign, or file
12 the ~~tax deposit form or~~ return, at the time required by law, is
13 guilty of a fraudulent practice.

14 Sec. 22. Section 423.45, subsection 4, paragraph b, Code
15 2022, is amended to read as follows:

16 **b.** The sales tax liability for all sales of tangible
17 personal property and specified digital products and all sales
18 of services is upon the seller and the purchaser unless the
19 seller takes from the purchaser a valid exemption certificate
20 stating under penalty of perjury that the purchase is for a
21 nontaxable purpose and is not a retail sale as defined in
22 section 423.1, or the seller is not obligated to collect tax
23 due, or unless the seller takes a fuel exemption certificate
24 pursuant to [subsection 5](#). If the tangible personal property,
25 specified digital products, or services are purchased tax free
26 pursuant to a valid exemption certificate and the tangible
27 personal property, specified digital products, or services are
28 used or disposed of by the purchaser in a nonexempt manner, the
29 purchaser is solely liable for the taxes and shall remit the
30 taxes directly to the department and [sections 423.31, 423.32,](#)
31 [423.37, 423.38, 423.39, 423.40, 423.41, and 423.42](#) shall apply
32 to the purchaser.

33 Sec. 23. Section 423.45, subsection 5, paragraph c, Code
34 2022, is amended to read as follows:

35 **c.** The seller may accept a completed fuel exemption

1 certificate, as prepared by the purchaser, for three
2 years unless the purchaser files a new completed exemption
3 certificate. If the fuel is purchased tax free pursuant to a
4 fuel exemption certificate which is taken by the seller, and
5 the fuel is used or disposed of by the purchaser in a nonexempt
6 manner, the purchaser is solely liable for the taxes, and shall
7 remit the taxes directly to the department and [sections 423.31,](#)
8 ~~423.32,~~ [423.37, 423.38, 423.39, 423.40, 423.41, and 423.42](#)
9 shall apply to the purchaser.

10 Sec. 24. Section 423.50, subsection 1, Code 2022, is amended
11 to read as follows:

12 1. Only one remittance of tax per return is required ~~except~~
13 ~~as provided in [this subsection](#). Sellers that collect more~~
14 ~~than thirty thousand dollars in sales and use taxes for this~~
15 ~~state during the preceding calendar year shall be required to~~
16 ~~make additional remittances as required under rules adopted by~~
17 ~~the director. The filing of a return is not required with an~~
18 ~~additional remittance.~~

19 Sec. 25. Section 423.57, Code 2022, is amended to read as
20 follows:

21 **423.57 Statutes applicable.**

22 The director shall administer [this subchapter](#) as it relates
23 to the taxes imposed in [this chapter](#) in the same manner and
24 subject to all the provisions of, and all of the powers,
25 duties, authority, and restrictions contained in sections
26 423.14, [423.14A, 423.14B, 423.15, 423.16, 423.17, 423.19,](#)
27 [423.20, 423.21, 423.22, 423.23, 423.24, 423.25, 423.29, 423.31,](#)
28 ~~423.32,~~ [423.33, 423.34, 423.34A, 423.35, 423.37, 423.38,](#)
29 [423.39, 423.40, 423.41, and 423.42,](#) section 423.43, subsection
30 1, and [sections 423.45, 423.46, and 423.47.](#)

31 Sec. 26. Section 423.58, Code 2022, is amended to read as
32 follows:

33 **423.58 Collection, permit, and tax return exemption for**
34 **certain out-of-state businesses.**

35 Notwithstanding [sections 423.14, 423.14A, 423.14B, 423.29,](#)

1 423.31, ~~423.32~~, and 423.36, a person meeting the requirements
2 of section 29C.24 is not required to obtain a sales or use tax
3 permit, collect and remit sales and use tax, or make and file
4 applicable sales or use tax returns, as provided in section
5 29C.24, subsection 3, paragraph "a", subparagraph (2).

6 Sec. 27. Section 423A.6, subsection 4, Code 2022, is amended
7 to read as follows:

8 4. Section 422.25, subsection 4, sections 422.30, 422.67,
9 and 422.68, section 422.69, subsection 1, sections 422.70,
10 422.71, 422.72, 422.74, and 422.75, section 423.14, subsection
11 1, and sections 423.23, 423.24, 423.25, 423.31, 423.33,
12 423.35, 423.37 through 423.42, and 423.47, consistent with the
13 provisions of this chapter, apply with respect to the taxes
14 authorized under this chapter, in the same manner and with the
15 same effect as if the state and local hotel and motel taxes
16 were retail sales taxes within the meaning of those statutes.
17 Notwithstanding this subsection, the director shall provide
18 for ~~quarterly~~ monthly filing of returns and for other than
19 ~~quarterly~~ monthly filing of returns both as prescribed in
20 section 423.31. The director may require all persons who are
21 engaged in the business of deriving any sales price subject
22 to tax under this chapter to register with the department.
23 All taxes collected under this chapter by a retailer, lodging
24 provider, lodging facilitator, lodging platform, or any other
25 person are deemed to be held in trust for the state of Iowa and
26 the local jurisdictions imposing the taxes.

27 Sec. 28. Section 423B.5, subsection 3, Code 2022, is amended
28 to read as follows:

29 3. A tax permit other than the state sales or use tax permit
30 required under section 423.36 shall not be required by local
31 authorities.

32 Sec. 29. Section 423B.6, subsection 2, paragraph c, Code
33 2022, is amended to read as follows:

34 c. Frequency of deposits and ~~quarterly~~ monthly reports of a
35 local sales and services tax with the department of revenue are

1 governed by the tax provisions in [section 423.31](#). Local tax
2 collections shall not be included in computation of the total
3 tax to determine frequency of filing under [section 423.31](#).

4 Sec. 30. Section 423C.4, Code 2022, is amended to read as
5 follows:

6 **423C.4 Administration and enforcement.**

7 All powers and requirements of the director of revenue
8 to administer the state sales tax law under [chapter 423](#) are
9 applicable to the administration of the tax imposed under
10 section 423C.3, including but not limited to section 422.25,
11 subsection 4, [sections 422.30, 422.67, and 422.68](#), section
12 422.69, subsection 1, [sections 422.70 through 422.75](#), section
13 423.14, subsection 1, and [sections 423.15, 423.23, 423.24,](#)
14 [423.25, 423.31, 423.33, 423.35 and 423.37 through 423.42,](#)
15 [423.45, 423.46, and 423.47](#). However, as an exception to the
16 powers specified in [section 423.31](#), the director shall only
17 require the filing of ~~quarterly~~ monthly reports.

18 Sec. 31. Section 423D.4, subsection 3, Code 2022, is amended
19 to read as follows:

20 3. [Section 422.25, subsection 4, sections 422.30, 422.67,](#)
21 [and 422.68, section 422.69, subsection 1, sections 422.70,](#)
22 [422.71, 422.72, 422.74, and 422.75, section 423.14, subsection](#)
23 [1, and sections 423.23, 423.24, 423.25, 423.31 through](#)
24 [423.35, 423.37 through 423.42, and 423.47,](#) consistent with
25 the provisions of [this chapter](#), apply with respect to the tax
26 authorized under [this chapter](#), in the same manner and with the
27 same effect as if the excise taxes on equipment sales or use
28 were retail sales taxes within the meaning of those statutes.
29 Notwithstanding [this subsection](#), the director shall provide
30 for ~~quarterly~~ monthly filing of returns and for other than
31 ~~quarterly~~ monthly filing of returns both as prescribed in
32 section 423.31. All taxes collected under [this chapter](#) by a
33 retailer or any user are deemed to be held in trust for the
34 state of Iowa.

35 Sec. 32. Section 423G.5, subsection 3, Code 2022, is amended

1 to read as follows:

2 3. Section 422.25, subsection 4, sections 422.30, 422.67,
3 and 422.68, section 422.69, subsection 1, sections 422.70,
4 422.71, 422.72, 422.74, and 422.75, section 423.14, subsection
5 1, and sections 423.23, 423.24, 423.25, 423.31 through
6 423.35, 423.37 through 423.42, and 423.47, consistent with the
7 provisions of this chapter, shall apply with respect to the tax
8 authorized under this chapter, in the same manner and with the
9 same effect as if the excise taxes on the sale or furnishing of
10 a water service were retail sales taxes within the meaning of
11 those statutes. Notwithstanding this subsection, the director
12 shall provide for ~~quarterly~~ monthly filing of returns and
13 for other than ~~quarterly~~ monthly filing of returns both as
14 prescribed in section 423.31. All taxes collected under this
15 chapter by a retailer or any user are deemed to be held in trust
16 for the state of Iowa.

17 Sec. 33. Section 728.1, subsection 6, Code 2022, is amended
18 to read as follows:

19 6. "*Place of business*" means the premises of a business
20 required to obtain a sales or use tax permit pursuant to
21 chapter 423, the premises of a nonprofit or not-for-profit
22 organization, and the premises of an establishment which is
23 open to the public at large or where entrance is limited by a
24 cover charge or membership requirement.

25 Sec. 34. Section 728.5, subsection 1, unnumbered paragraph
26 1, Code 2022, is amended to read as follows:

27 An owner, manager, or person who exercises direct control
28 over a place of business required to obtain a sales or use tax
29 permit shall be guilty of a serious misdemeanor under any of
30 the following circumstances:

31 Sec. 35. REPEAL. Section 423.32, Code 2022, is repealed.

32 Sec. 36. TEMPORARY PENALTY AND INTEREST GRACE PERIOD. A
33 taxpayer shall file a return and pay tax pursuant to section
34 423.31, subsection 1, as amended by this division of this Act.
35 However, if a taxpayer is unable to file a return or pay tax in

1 accordance with the changes to section 423.31, subsection 1,
2 as amended by this division of this Act, by July 1, 2022, the
3 taxpayer shall file returns and pay tax for tax periods ending
4 on or before September 30, 2022, according to the taxpayer's
5 registration as of June 30, 2022, and such a taxpayer shall
6 not incur a penalty for doing so. Interest on unpaid payments
7 for such taxpayers unable to file a return or pay a tax in
8 accordance with the changes to section 423.31, subsection 1, as
9 amended by this division of this Act, shall be suspended until
10 October 1, 2022.

11 Sec. 37. AUTHORITY TO MODIFY PERMITS. Notwithstanding any
12 provision of law to the contrary, the department of revenue
13 shall have authority to convert, renumber, or combine existing
14 sales tax, retailer's use tax, and consumer's use tax permits
15 for taxpayers holding multiple tax permits in accordance with
16 section 423.31, subsection 1, as amended by this division of
17 this Act.

18 Sec. 38. IMPLEMENTATION — EMERGENCY RULES. The department
19 of revenue may adopt emergency rules under section 17A.4,
20 subsection 3, and section 17A.5, subsection 2, paragraph "b",
21 to implement the provisions of this division of this Act and
22 the rules shall be effective immediately upon filing unless
23 a later date is specified in the rules. Any rules adopted
24 in accordance with this section shall also be published as a
25 notice of intended action as provided in section 17A.4.

26 Sec. 39. EFFECTIVE DATE. The following, being deemed of
27 immediate importance, takes effect upon enactment:

28 The section of this division of this Act enacting emergency
29 rules relating to the implementation of this division of this
30 Act.

31 Sec. 40. EFFECTIVE DATE. The following takes effect January
32 1, 2023:

33 The section of this division of this Act amending section
34 423.3, subsection 104, paragraph "b", subparagraph (1).

35 DIVISION II

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DIVISION III
DISTRIBUTIONS OF REVENUE TO LOCAL GOVERNMENTS AND SCHOOL
DISTRICTS

Sec. 46. Section 423B.7, subsection 2, paragraph a, Code 2022, is amended to read as follows:

a. The director of revenue by ~~August 15 of each fiscal~~
year the last day of each month shall ~~send~~ transfer to each
city or county where the local option tax is imposed, ~~an~~
~~estimate of the amount of tax moneys remitted to the department~~
attributable to each city or county will receive for the year
and for each month of the year from the preceding month. ~~At the~~
~~end of each month, the director may revise the estimates for~~
~~the year and remaining months.~~

Sec. 47. Section 423B.7, subsection 2, paragraphs b and c, Code 2022, are amended by striking the paragraphs.

Sec. 48. Section 423F.2, subsection 4, paragraph a, Code 2022, is amended to read as follows:

a. The director of revenue by ~~August 15 of each fiscal year~~
the last day of each month shall ~~send~~ transfer to each school
district ~~an estimate of the amount of tax moneys remitted~~
to the department attributable to each school district will
receive for the year and for each month of the year from the
preceding month. ~~At the end of each month, the director may~~
~~revise the estimates for the year and remaining months.~~

Sec. 49. Section 423F.2, subsection 4, paragraph b, Code 2022, is amended by striking the paragraph and inserting in lieu thereof the following:

b. On or before August 15 of each fiscal year the director of revenue shall provide to each school district an estimate of the amount of tax moneys to be distributed to each school district for the current fiscal year.

Sec. 50. Section 423F.2, subsection 4, paragraph c, Code 2022, is amended by striking the paragraph.

Sec. 51. TRANSITION PROVISION FOR LOCAL OPTION SALES TAX
AND SECURING AN ADVANCED VISION FOR EDUCATION — TRANSFER

1 AMOUNTS. Notwithstanding any other provision of law to the
2 contrary, the department of revenue shall estimate monthly
3 local option sales tax and securing an advanced vision for
4 education transfer amounts through the end of the 2022 calendar
5 year. The department of revenue shall transfer estimated
6 amounts to each local government or school district for the
7 months of July, August, and September 2022. Beginning with the
8 October 2022 transfer, the department shall not use estimated
9 amounts and shall transfer the amount of tax attributable to
10 each local government or school district for the tax remitted
11 in September 2022. Any adjustment amount that is necessary to
12 the July, August, or September 2022 estimated transfer amount
13 to reflect the accurate attributable amount shall be made by
14 the department of revenue or the local government or school
15 district by the close of business on December 30, 2022.

16 DIVISION IV

17 LIABILITY OF SELLERS USING CERTIFIED SERVICE PROVIDER

18 Sec. 52. Section 423.48, subsection 3, paragraph a, Code
19 2022, is amended to read as follows:

20 a. A model 1 seller's obligation to calculate, collect, and
21 remit sales and use taxes shall be performed by its certified
22 service provider, except for the seller's obligation to remit
23 tax on its own purchases. As the seller's agent, the certified
24 service provider is liable for its model 1 seller's sales
25 and use tax due Iowa on all sales transactions it processes
26 for the seller except as set out in [this section](#). A seller
27 that contracts with a certified service provider is not
28 liable to the state for sales or use tax due on transactions
29 processed by the certified service provider unless the seller
30 ~~misrepresents the types of items or services it sells or~~
31 ~~commits fraud~~ certified service provider establishes that
32 the certified service provider is not liable in accordance
33 with the agreement. In the absence of ~~probable cause to~~
34 ~~believe that the seller has committed fraud or made a material~~
35 ~~misrepresentation~~ liability relief established by the certified

1 service provider, the seller is not subject to audit on the
2 transactions processed by the certified service provider.
3 A model 1 seller is subject to audit for transactions not
4 processed by the certified service provider. The director is
5 authorized to perform a system check of the model 1 seller and
6 review the seller's procedures to determine if the certified
7 service provider's system is functioning properly and the
8 extent to which the seller's transactions are being processed
9 by the certified service provider.

10 DIVISION V

11 AUTHORITY TO CANCEL VARIOUS PERMITS ISSUED BY THE DEPARTMENT

12 Sec. 53. Section 421.17, Code 2022, is amended by adding the
13 following new subsection:

14 NEW SUBSECTION. 37. Notwithstanding any other provision
15 of law to the contrary, to cancel the following permits upon
16 verification by the department of revenue the permits are no
17 longer in use: income tax withholding, sales or use tax, or
18 motor fuel tax.

19 DIVISION VI

20 ECONOMIC DEVELOPMENT AUTHORITY SALES AND USE TAX REFUND

21 INCENTIVES

22 Sec. 54. Section 15.331A, subsection 2, Code 2022, is
23 amended to read as follows:

24 2. To receive the refund, a claim shall be filed by the
25 eligible business with the department of revenue as follows:

26 a. The contractor or subcontractor shall state under oath,
27 on forms provided by the department of revenue, the amount of
28 the sales of tangible personal property or services rendered,
29 furnished, or performed including water, sewer, gas, and
30 electric utility services upon which sales or use tax has been
31 paid prior to the ~~project~~ contract completion, and shall file
32 the forms with the eligible business before final settlement
33 is made.

34 b. The eligible business shall, ~~not more than one year~~ after
35 ~~project~~ contract completion, make application to the department

1 of revenue for any refund of the amount of the sales and use
2 taxes paid pursuant to [chapter 423](#) upon any tangible personal
3 property, or services rendered, furnished, or performed,
4 including water, sewer, gas, and electric utility services.
5 The application shall be made in the manner and upon forms to
6 be provided by the department of revenue, and the department of
7 revenue shall audit the claim and, if approved, issue a warrant
8 to the eligible business in the amount of the sales or use tax
9 which has been paid to the state of Iowa under a contract. The
10 application must be made within one year after the project
11 completion date. A claim filed by the eligible business in
12 accordance with [this section](#) shall not be denied by reason of a
13 limitation provision set forth in [chapter 421](#) or [423](#).

14 c. The eligible business shall inform the department of
15 revenue in writing after project contract completion. For
16 ~~purposes of [this section](#), “project completion” means the~~
17 ~~first date upon which the average annualized production of~~
18 ~~finished product for the preceding ninety-day period at the~~
19 ~~manufacturing facility operated by the eligible business is~~
20 ~~at least fifty percent of the initial design capacity of the~~
21 ~~facility.~~

22 Sec. 55. Section 15.331A, Code 2022, is amended by adding
23 the following new subsection:

24 NEW SUBSECTION. 4. For purposes of this section, “*contract*
25 *completion*” means the date of completion of a written contract
26 relating to the construction or equipping of the facility that
27 is part of the project of the eligible business.

28 Sec. 56. Section 15.331C, subsections 1 and 2, Code 2022,
29 are amended to read as follows:

30 1. An In lieu of the sales and use tax refund provided
31 in section 15.331A, an eligible business may claim a tax
32 credit in an amount equal to the sales and use taxes paid by a
33 third-party developer under [chapter 423](#) for gas, electricity,
34 water, or sewer utility services, goods, wares, or merchandise,
35 or on services rendered, furnished, or performed to or for a

1 contractor or subcontractor and used in the fulfillment of a
2 written contract relating to the construction or equipping of
3 a facility of the eligible business. Taxes attributable to
4 intangible property and furniture and furnishings shall not
5 be included, but taxes attributable to racks, shelving, and
6 conveyor equipment to be used in a warehouse or distribution
7 center shall be included. Any credit in excess of the tax
8 liability for the tax year may be credited to the tax liability
9 for the following seven years or until depleted, whichever
10 occurs earlier. An eligible business may elect to receive a
11 refund of all or a portion of an unused tax credit.

12 2. A third-party developer shall state under oath, on
13 forms provided by the department of revenue, the amount of
14 taxes paid as described in [subsection 1](#) and shall submit such
15 forms to the department of revenue. The taxes paid shall be
16 itemized to allow identification of the taxes attributable
17 to racks, shelving, and conveyor equipment to be used in a
18 warehouse or distribution center. The eligible business
19 shall make application to the department of revenue in the
20 manner and form prescribed by the department of revenue, and
21 within the time for applying for a sales and use tax refund
22 under section 15.331A. After timely receiving the form from
23 the third-party developer and application from the eligible
24 business, the department of revenue shall audit the claim
25 and, if approved, shall issue a tax credit certificate to the
26 eligible business equal to the sales and use taxes paid by a
27 third-party developer under [chapter 423](#) for gas, electricity,
28 water, or sewer utility services, goods, wares, or merchandise,
29 or on services rendered, furnished, or performed to or for a
30 contractor or subcontractor and used in the fulfillment of a
31 written contract relating to the construction or equipping
32 of a facility. The department of revenue shall also issue a
33 tax credit certificate to the eligible business equal to the
34 taxes paid and attributable to racks, shelving, and conveyor
35 equipment to be used in a warehouse or distribution center.

1 The aggregate combined total amount of tax refunds under
2 section 15.331A for taxes paid and attributable to racks,
3 shelving, and conveyor equipment to be used in a warehouse or
4 distribution center and of tax credit certificates issued by
5 the department of revenue under this section for the taxes paid
6 and attributable to racks, shelving, and conveyor equipment
7 to be used in a warehouse or distribution center shall not
8 exceed five hundred thousand dollars in a fiscal year. If
9 an applicant for a tax credit certificate does not receive
10 a refund or certificate for the taxes paid and attributable
11 to racks, shelving, and conveyor equipment to be used in a
12 warehouse or distribution center, the application shall be
13 considered in succeeding fiscal years. The eligible business
14 shall not claim a tax credit under **this section** unless a tax
15 credit certificate issued by the department of revenue is
16 included with the taxpayer's tax return for the tax year for
17 which the tax credit is claimed. A tax credit certificate
18 shall contain the eligible business's name, address, tax
19 identification number, the amount of the tax credit, and other
20 information deemed necessary by the department of revenue.

21 Sec. 57. Section 15.355, subsection 2, Code 2022, is amended
22 by striking the subsection and inserting in lieu thereof the
23 following:

24 2. *a.* A housing business may claim a refund of the sales
25 and use taxes paid under chapter 423 prior to the completion
26 of the housing project that are directly related to a housing
27 project and specified in the agreement.

28 *b.* To receive a refund, a claim shall be filed by the
29 housing business with the department of revenue as follows:

30 (1) The contractor or subcontractor shall state under oath,
31 on forms provided by the department of revenue, the amount
32 of sales and use taxes paid under chapter 423 prior to the
33 completion of the housing project that are directly related to
34 a housing project and specified in the agreement.

35 (2) The contractor or subcontractor shall file the forms

1 with the housing business before final settlement is made.

2 (3) (a) The housing business shall, after the agreement
3 completion date, make application to the department of revenue
4 for any refund of the amount of sales and use taxes paid under
5 chapter 423 prior to the completion of the housing project that
6 were directly related to a housing project and specified in the
7 agreement. The application shall be made in the manner and
8 upon forms to be provided by the department of revenue. The
9 department of revenue shall audit the claim and, if approved,
10 issue a warrant to the housing business. The application
11 must be made within one year after the agreement completion
12 date. A claim filed by the housing business in accordance with
13 this subsection shall not be denied by reason of a limitation
14 provision set forth in chapter 421 or 423.

15 (b) For purposes of this subparagraph, *"agreement completion*
16 *date"* means the date on which the authority notifies the
17 department of revenue that all applicable requirements of the
18 agreement entered into pursuant to section 15.354, subsection
19 3, paragraph "a", and all applicable requirements of this part,
20 including the rules the authority and the department of revenue
21 adopt pursuant to section 15.356, are satisfied.

22 c. A contractor or subcontractor who willfully makes a
23 false claim under oath in violation of the provisions of this
24 subsection shall be guilty of a simple misdemeanor and in
25 addition to any other penalty, the contractor or subcontractor
26 shall be liable for the payment of the tax and any applicable
27 penalty and interest.

28 Sec. 58. EFFECTIVE DATE. This division of this Act, being
29 deemed of immediate importance, takes effect upon enactment.

30 Sec. 59. APPLICABILITY. This division of this Act applies
31 to claims for refunds filed on or after the effective date of
32 this division of this Act.

33 DIVISION VII

34 FRANCHISE TAX

35 Sec. 60. Section 422.63, Code 2022, is amended to read as

1 follows:

2 **422.63 Amount of tax.**

3 1. The franchise tax is imposed annually in an amount equal
4 to five the percent specified in subsection 2 of the net income
5 received or accrued during the taxable year. If the net income
6 of the financial institution is derived from its business
7 carried on entirely within the state, the tax shall be imposed
8 on the entire net income, but if the business is carried on
9 partly within and partly without the state, the portion of net
10 income reasonably attributable to the business within the state
11 shall be specifically allocated or equitably apportioned within
12 and without the state under rules of the director.

13 2. a. For tax years beginning prior to January 1, 2023,
14 five percent.

15 b. For tax years beginning on or after January 1, 2023, but
16 before January 1, 2024, four and seven-tenths percent.

17 c. For tax years beginning on or after January 1, 2024, but
18 before January 1, 2025, four and four-tenths percent.

19 d. For tax years beginning on or after January 1, 2025, but
20 before January 1, 2026, four and one-tenth percent.

21 e. For tax years beginning on or after January 1, 2026, but
22 before January 1, 2027, three and eight-tenths percent.

23 f. For tax years beginning on or after January 1, 2027,
24 three and one-half percent.

25 DIVISION VIII

26 MANUFACTURED FOOD — SALES TAX EXEMPTION

27 Sec. 61. Section 423.3, subsection 49, Code 2022, is amended
28 to read as follows:

29 49. a. The sales price from the sale of carbon dioxide
30 in a liquid, solid, or gaseous form, electricity, steam, and
31 other taxable services and the lease or rental of tangible
32 personal property when used by a manufacturer of food products
33 to primarily produce marketable food products for human
34 consumption food or food ingredients, including but not
35 limited to treatment of material to change its form, context,

1 or condition, in order to produce the food ~~product~~ or food
2 ingredients, maintenance of quality or integrity of the
3 food ~~product~~ or food ingredients, changing or maintenance of
4 temperature levels necessary to avoid spoilage or to hold the
5 food ~~product~~ or food ingredients in marketable condition,
6 maintenance of environmental conditions necessary for the safe
7 or efficient use of machinery and material used to produce
8 the food ~~product~~ or food ingredients, sanitation and quality
9 control activities, formation of packaging, placement into
10 shipping containers, and movement of the material or food
11 ~~product~~ or food ingredients until shipment from the building
12 of manufacture.

13 *b.* For purposes of this subsection, *"food or food*
14 *ingredients"* means the same as *"food and food ingredients"* as
15 defined in subsection 57, paragraph "d", and includes tangible
16 personal property that could be sold for ingestion or chewing
17 by humans but is sold for another use.

18 Sec. 62. REFUNDS. Refunds of taxes, interest, or penalties
19 which arise from the enactment of this division of this Act,
20 for sales or services occurring between January 1, 2019, and
21 the effective date of this division of this Act, shall be
22 limited to one hundred thousand dollars in the aggregate for
23 any calendar year in which claims are eligible for a refund and
24 shall not be allowed unless refund claims are filed by October
25 1, 2022, notwithstanding any other law to the contrary. If the
26 amount of claims totals more than one hundred thousand dollars
27 in the aggregate for any calendar year in which claims are
28 eligible for a refund, the department of revenue shall prorate
29 the one hundred thousand dollars in the aggregate among all the
30 claimants for that particular calendar year in relation to the
31 amounts of the claimants' valid claims.

32 Sec. 63. EFFECTIVE DATE. This division of this Act, being
33 deemed of immediate importance, takes effect upon enactment.

34 Sec. 64. RETROACTIVE APPLICABILITY. This division of this
35 Act applies retroactively to January 1, 2019.

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DIVISION IX

MOTOR FUEL REPORTING REQUIREMENT — PENALTY

Sec. 65. Section 452A.33, subsection 1, paragraph c, Code 2022, is amended to read as follows:

c. (1) The retail dealer shall prepare and ~~submit~~ file the report with the department in a manner and according to procedures required by the department in compliance with section 452A.61. However, the department may require that the retail dealer file the report with the department by electronic transmission. The department may require that retail dealers report to the department on an annual, quarterly, or monthly basis. The department, upon application by a retail dealer, may grant a reasonable extension of time to file the report.

(2) If a retail dealer fails to file the report as required by this section or fails to maintain records required to file the report the department may impose a civil penalty of not more than one hundred dollars per occurrence in addition to any other penalty provided by law. The penalty amount shall be deposited into the general fund of the state.

DIVISION X

SOLAR ENERGY SYSTEM TAX CREDIT

Sec. 66. Section 422.11L, subsection 4, paragraph a, Code 2022, is amended to read as follows:

a. The Except as provided in subsection 7, the cumulative value of tax credits claimed annually by applicants pursuant to this section shall not exceed five million dollars. Of this amount, at least one million dollars shall be reserved for claims associated with or resulting from residential solar energy system installations. In the event that the total amount of claims submitted for residential solar energy system installations in a tax year is an amount less than one million dollars, the remaining unclaimed reserved amount shall be made available for claims associated with or resulting from nonresidential solar energy system installations received for the tax year.

1 Sec. 67. Section 422.11L, Code 2022, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 7. *a.* Notwithstanding any other law to the
4 contrary, the department may review or reconsider the following
5 as if the credit did not expire:

6 (1) Applications for installations that were completed
7 prior to the 2022 calendar year that were denied solely due
8 to the expiration of the credit provided in subsection 1,
9 paragraph "a", regardless of whether the applicant appealed the
10 denial.

11 (2) Pending applications and new applications for
12 the credit provided in subsection 1, paragraph "a", for
13 installations that were completed during the 2021 calendar year
14 as long as the application is received by June 30, 2022.

15 (3) The department shall use the original submission date of
16 applications described in this paragraph to determine the order
17 for reviewing such applications.

18 *b.* The cumulative value of tax credits in subsection 3,
19 paragraph "d", subparagraph (2), shall not limit the amount of
20 annual tax credits that may be awarded for valid applications
21 that qualify pursuant to this subsection.

22 *c.* A tax credit awarded pursuant to this subsection may
23 be first claimed for the tax year beginning during the 2022
24 calendar year.

25 Sec. 68. EFFECTIVE DATE. This division of this Act, being
26 deemed of immediate importance, takes effect upon enactment.

27 Sec. 69. RETROACTIVE APPLICABILITY. A tax credit
28 award issued pursuant to this division of this Act applies
29 retroactively to tax years beginning on or after January 1,
30 2022.

31 DIVISION XI

32 INDIVIDUAL INCOME TAX EXCLUSION — CERTAIN PREMIUM PAY AND
33 BONUSES

34 Sec. 70. Section 422.7, Code 2022, is amended by adding the
35 following new subsection:

1 NEW SUBSECTION. 63. a. (1) Subtract to the extent
2 included the amount, not to exceed one thousand dollars, of
3 premium pay, as defined in 42 U.S.C. §802(g)(3), received by a
4 certified peace officer who was designated by the governor as
5 an eligible worker under 42 U.S.C. §802(g)(2).
6 (2) Subtract, to the extent included, the amount, not
7 to exceed one thousand dollars, of premium pay, as defined
8 in 42 U.S.C. §802(g)(3), received by a correctional officer
9 or medical staff member at a correctional facility who was
10 designated by the governor as an eligible worker under 42
11 U.S.C. §802(g)(2).
12 (3) Subtract to the extent included the amount, not to
13 exceed one thousand dollars, of premium pay, as defined in
14 42 U.S.C. §802(g)(3), received by a teacher employed by an
15 independently accredited school or a teacher employed by the
16 state who was designated by the governor as an eligible worker
17 under 42 U.S.C. §802(g)(2).
18 (4) Subtract to the extent included the amount of a teacher
19 retention payment, not to exceed one thousand dollars, received
20 by a teacher that was funded from moneys received by the state
21 from the elementary and secondary school emergency relief
22 funds pursuant to the federal Coronavirus Response and Relief
23 Supplemental Appropriations Act, 2021, Pub. L. No. 116-260,
24 or the federal American Rescue Plan Act of 2021, Pub. L. No.
25 117-2.
26 (5) Subtract to the extent included the amount of a
27 teacher retention payment, not to exceed one thousand dollars,
28 received by a teacher employed by a private school or specially
29 accredited school, that was funded from the private sector
30 worker premium pay program administered by the department of
31 education that was funded from state moneys.
32 (6) Subtract to the extent included the amount of a
33 recruitment and retention bonus, not to exceed one thousand
34 dollars, received by a child care worker through the
35 recruitment and retention bonus program administered by the

1 department of human services.

2 *b.* An employer or any payor of an amount to an individual
3 under paragraph "*a*" pursuant to a program described in paragraph
4 "*a*" shall report the amount paid to each individual to the
5 department of revenue in the manner and form required by the
6 department.

7 *c.* Notwithstanding any provision of law to the contrary,
8 public records related to the distribution of funds under
9 this subsection shall be kept confidential to the extent that
10 the release of such information would reveal the personal
11 identifying information of a peace officer defined in section
12 801.4, subsection 11.

13 *d.* The department may adopt rules pursuant to chapter 17A
14 to administer this subsection.

15 *e.* This subsection is repealed January 1, 2026.

16 Sec. 71. EFFECTIVE DATE. This division of this Act, being
17 deemed of immediate importance, takes effect upon enactment.

18 Sec. 72. RETROACTIVE APPLICABILITY. This division of this
19 Act applies retroactively to January 1, 2022, for tax years
20 beginning on or after January 1, 2022, but before January 1,
21 2023, for payments received in the 2022 calendar year.>

22 2. Title page, by striking lines 1 through 7 and inserting
23 <An Act relating to state taxation by specifying when returns
24 are due, striking sales tax exemptions and exempting other
25 products, and modifying distributions of revenue to local
26 governments and school districts, the liability of sellers,
27 the franchise tax, motor fuel tax reporting, tax refunds and
28 credits, and the individual state income tax, and providing
29 penalties, and including effective date, applicability, and
30 retroactive applicability provisions.>

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