

## CHAPTER 248

## CERTAIN SERVICE TAXES ABOLISHED

S. F. 619

AN ACT relating to use, sales, and service taxes on new construction, advertising, and the processing of meat, fish, fowl and vegetables and making allocations thereof.

*Be It Enacted by the General Assembly of the State of Iowa:*

1 SECTION 1. Chapter three hundred forty-eight (348), section twenty-  
2 five (25), Acts of the Sixty-second General Assembly, amending section  
3 four hundred twenty-two point forty-three (422.43), Code 1966, is hereby  
4 amended as follows:

5 1. By striking from lines seventeen (17) and eighteen (18) the words  
6 "meat, fish, and fowl processing;"

7 2. By striking from line nineteen (19) the words "newspaper, directories,  
8 shopper's guides and news-".

9 3. By striking all of lines twenty (20) through twenty-three (23), inclu-  
10 sive, and by striking from line twenty-four (24) the words "outdoor and  
11 point-of-purchase performance advertising;"

12 4. By striking from line twenty-eight (28) the words "promotion and  
13 direct mail;"

14 5. By striking from line twenty-eight (28) the words "sign painting;"

15 6. By inserting in line thirty-four (34) after the word "merchandise"  
16 the words "other than processed meat, fish, fowl and vegetables".

1 SEC. 2. Chapter three hundred forty-eight (348), section twenty-five  
2 (25), Acts of the Sixty-second General Assembly, amending section four  
3 hundred twenty-two point forty-three (422.43), Code 1966, is hereby amend-  
4 ed:

5 By striking from line thirty-five (35) the words "; buildings and struc-  
6 tures erected for the improvement of realty".

1 SEC. 3. Any moneys collected by reason of the tax imposed upon the  
2 sale of services rendered, furnished, or performed pursuant to chapter three  
3 hundred forty-eight (348), Acts of the Sixty-second General Assembly, in  
4 regard to meat, fish, fowl and vegetable processing; newspapers, directories,  
5 shopper's guides and newspapers whether or not circulated free or without  
6 charge to the public, magazine, radio, movie, and television advertising, to  
7 include such advertisement and service rendered, furnished, or performed  
8 by the state of Iowa, its boards and commissions or any installation thereof;  
9 outdoor and point-of-purchase performance advertising; promotion and  
10 direct mail; sign painting; and new construction, reconstruction, altera-  
11 tion, expansion, remodeling or the services of a general building contractor,  
12 architect or engineer when so engaged between October 1, 1967 and July 1,  
13 1969 shall be divided into two (2) equal parts. The director of revenue shall  
14 determine what portion of the taxes collected are to be allocated pursuant  
15 to this Act. One part shall be paid into the general fund of the state of  
16 Iowa and the other part shall be paid into a temporary emergency fund  
17 to be known as the "Municipal Tax Relief Fund". However, the amount  
18 paid into said municipal tax relief fund shall not exceed two million dol-  
19 lars; and any amount in excess of two million dollars which would other-  
20 wise be paid into said fund shall instead be paid into the general fund of  
21 the state, except that an amount of two hundred thousand (200,000) dol-

22 lars shall be allocated to the division of planning in the governor's office be-  
23 fore such moneys are paid into the general fund of the state.

1     SEC. 4.    The state comptroller shall on the first day of January of the  
2 year 1970 apportion among the incorporated cities and towns of the state,  
3 in the ratio which the population of each city or town, as shown by the  
4 latest available federal census, bears to the total population of all such cities  
5 and towns in the state, the moneys allocated to the municipal tax relief  
6 fund, and shall remit to the clerk of each such city or town the amount so  
7 apportioned to such city or town, and said funds so remitted shall be sub-  
8 ject to expenditure under the direction of the council of such incorporated  
9 city or town for any lawful municipal purpose.

1     SEC. 5.    In any case where a city or town has been incorporated since  
2 the latest available federal census, the mayor and council shall certify to  
3 the treasurer of state the actual population of such incorporated city or  
4 town as of the date of incorporation and its apportionment of funds under  
5 this Act shall be based upon such certification until the next federal cen-  
6 sus enumeration. Any community which has dissolved its corporation  
7 shall not receive any apportionment of funds under this Act after its dis-  
8 solution.

1     SEC. 6.    In any case where a city or town has annexed any territory  
2 since the last federal census, the mayor and council shall certify to the  
3 treasurer of state the actual population of such annexed territory as deter-  
4 mined by the last federal census of said territory and the apportionment  
5 of funds under this Act shall be based upon the population of said city  
6 or town as modified by the certification of the population of the annexed  
7 territory until the next federal census enumeration.

1     SEC. 7.    In any case where two or more cities or towns have consoli-  
2 dated, the apportionment of funds under this Act shall be based upon the  
3 population of the city or town resulting from said consolidation and shall  
4 be determined by combining the population of all cities and towns involved  
5 in the consolidation as determined by the last federal census enumeration  
6 for said consolidating city or town.

1     SEC. 8.    Sections three (3) through seven (7) of this Act being temporary  
2 in effect shall only be printed in the Acts of the Sixty-third General As-  
3 sembly and shall not be part of the Code of Iowa.

1     SEC. 9.    The tax on any services on or connected with new construc-  
2 tion, reconstruction, alteration, expansion, remodeling, or the services of a  
3 general building contractor, architect, or engineer contracted for after  
4 June 1, 1969, shall be null and void.

1     SEC. 10.

2     1. The amount allocated to the division of planning in the governor's  
3 office by section three (3) of this Act shall be used as follows:

4     *a.* To match local funds for special studies or research projects relating  
5 to cities and towns, which study or project would be beneficial to the entire  
6 state.

7     *b.* To provide funds to a particular city or town for a nonrecurring  
8 need, for which no local or other state funds are available, or for which  
9 other funds could be available.

10 2. The governor shall approve any allocation of funds provided for in  
 11 this Act, and shall determine that such allocation is in the best interests  
 12 of the state.

13 3. Any unencumbered balance remaining as of June 30, 1971, of the  
 14 allocation of this Act shall revert to the general fund of the state as of  
 15 June 30, 1971.

16 4. The division of state planning in the governor's office is hereby author-  
 17 ized to obtain and accept federal grants to the state to be used in connec-  
 18 tion with funds allocated in this Act and federal funds in addition thereto.

19 5. The division of state planning in the governor's office shall prepare  
 20 and submit by March 1, 1971, a report on the allocation of funds provided  
 21 in this Act to the next convened session of the General Assembly. Said re-  
 22 port shall include any and all requests for funds submitted by the cities  
 23 and towns, purpose of the request, and disposition of the request.

1 SEC. 11. Section four hundred twenty-two point forty-two (422.42),  
 2 subsection five (5), Code 1966, as amended by chapter three hundred forty-  
 3 two (342), section ninety-five (95), Acts of the Sixty-second General As-  
 4 sembly, is hereby further amended by striking from line three (3) the words  
 5 "or merchandise" and inserting in lieu thereof the words "merchandise,  
 6 or taxable services".

1 SEC. 12. Section four hundred twenty-two point forty-eight (422.48),  
 2 Code 1966, as amended by chapter three hundred forty-two (342), section  
 3 ninety-eight (98), Acts of the Sixty-second General Assembly, is hereby  
 4 further amended by inserting in line seven (7) after the word "paid," the  
 5 words "or until the director assumes responsibility for collection of a tax  
 6 on services, as provided in section four hundred twenty-two point forty-  
 7 three (422.43) of the Code,".

1 SEC. 13. Section four hundred twenty-three point four (423.4), Code  
 2 1966, as amended by chapter three hundred forty-eight (348), section thirty-  
 3 seven (37), Acts of the Sixty-second General Assembly, is hereby further  
 4 amended by adding the following new subsection:

5 "7. Advertisement and promotional material and matter, seed catalogs,  
 6 envelopes for same, and other similar material temporarily stored in this  
 7 state which are acquired outside of Iowa and which, subsequently to being  
 8 brought into this state, are sent outside of Iowa, either singly or physically  
 9 attached to other tangible personal property sent outside of Iowa."

Approved June 4, 1969.