

7 return for any settlement of the tax for any income earned in the  
8 income year up to its final date of dissolution.

1 SEC. 2. The provisions of this Act shall become effective for tax  
2 periods beginning on or after January 1, 1973.

Approved February 26, 1973.

## CHAPTER 246

### SALES TAX LIABILITY OF BUILDERS

S. F. 124

AN ACT relating to sales tax on purchases made by contractors who are retailers.

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

1 SECTION 1. Section four hundred twenty-two point forty-two  
2 (422.42), subsection nine (9), Code 1973, is amended by adding the  
3 following new paragraph:

4 NEW PARAGRAPH. Where the owner, contractor, subcontractor or  
5 builder is also a retailer holding a retail sales tax permit and transact-  
6 ing retail sales of building materials, supplies, and equipment, he shall  
7 purchase such items of tangible personal property without liability for  
8 the tax if such property will be subject to the tax at the time of resale  
9 or at the time it is withdrawn from inventory for construction pur-  
10 poses. The sales tax shall be due in the reporting period when the  
11 materials, supplies, and equipment are withdrawn from inventory for  
12 construction purposes or when sold at retail.

Approved March 23, 1973.

## CHAPTER 247

### MOTOR FUEL SALES TAX EXEMPTIONS

H. F. 314

AN ACT relating to exemptions from the sales and use tax on sales subject to a special tax.

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

1 SECTION 1. Section four hundred twenty-two point forty-five  
2 (422.45), Code 1973, is amended by adding the following new sub-  
3 section:

4 NEW SUBSECTION. The gross receipts from the sale of motor fuel  
5 and special fuel consumed for highway use or in watercraft where the  
6 fuel tax has been imposed and paid and no refund has been or will be  
7 allowed.

1 SEC. 2. Section four hundred twenty-two point forty-six (422.46),  
2 Code 1973, is amended to read as follows:

3 422.46 Credit on tax. A credit shall be allowed against the amount  
4 of tax computed to be due and payable on the gross receipts from sales  
5 at retail of any tangible personal property or from services rendered,