

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9 or at the time it is withdrawn from inventory for construction pur-  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11 materials, supplies, and equipment are withdrawn from inventory for  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,

6 furnished, or performed upon which the state now imposes a special  
 7 tax, whether in the form of a license tax, stamp tax, or otherwise, to  
 8 the extent of the amount of such tax imposed and paid. This provision  
 9 shall not apply to the sale of airplanes or to the sale at retail of beer,  
 10 alcoholic beverages and cigarettes. Taxes paid on gross receipts repre-  
 11 sented by accounts found to be worthless and actually charged off for  
 12 income tax purposes may be credited upon a subsequent payment of  
 13 the tax herein provided; provided, that if such accounts are thereafter  
 14 collected by the retailer, a tax shall be paid upon the amount so col-  
 15 lected.

1 SEC. 3. Section four hundred twenty-three point four (423.4),  
 2 Code 1973, is amended by striking subsection three (3).

Approved April 6, 1973.

## CHAPTER 248

### MONEYS AND CREDITS REPLACEMENT FUND

#### S. F. 375

AN ACT relating to recalculation of amounts payable to counties from the moneys and credits tax replacement fund.

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

1 SECTION 1. Section four hundred twenty-two point seventy-eight  
 2 (422.78), Code 1973, is amended by adding the following new para-  
 3 graph:

4 NEW PARAGRAPH. Not later than December 31, 1973, the county  
 5 auditor may file a certified statement with the state comptroller  
 6 demonstrating errors made in calculating the aggregate taxable value  
 7 for the year of 1965. The comptroller, upon verifying that an error  
 8 was made, shall recalculate the amount payable to counties for the  
 9 previous seven years, based upon the amounts which were available  
 10 in the moneys and credits tax replacement fund in January of each  
 11 year, and shall notify each county of its total overpayment or under-  
 12 payment for the seven-year period. If a county has received an over-  
 13 payment, it shall refund the overpayment to the comptroller for  
 14 deposit in the moneys and credits tax replacement fund. The refund  
 15 of an overpayment shall be made not later than December 31, 1976.  
 16 If a county has received an underpayment, the comptroller shall pay  
 17 the amount of the underpayment to the county from the moneys and  
 18 credits tax replacement fund, not later than January of 1977. The  
 19 refund of an overpayment shall be made from the county general fund,  
 20 and the amount received for an underpayment shall be deposited in  
 21 the county general fund, but the board of supervisors shall distribute  
 22 thirty percent of the overpayment to cities and towns in the county  
 23 in proportion to the corrected taxable values for each city and town  
 24 for 1965.

Approved May 16, 1973.