

be liable solely for the taxes and shall remit said taxes directly to the department in accordance with this subsection.

Sec. 3. This Act is effective January 1, 1979.

Approved May 10, 1978

CHAPTER 1143
SALES AND USE TAXES

S. F. 2066

AN ACT to exempt from the sales and use tax admission fees to amusements, fairs, and athletic events of elementary and secondary schools, the storage of goods except raw agricultural products, the rental of prosthetic, orthotic, and orthopedic devices, the sale of draft horses to be used as draft horses, certain vehicles which are purchased for lease outside the state, and tangible personal property which becomes an integral part of certain vehicles manufactured for lease outside the state, and to provide for the refund of sales and use taxes paid on purchases by municipally owned solid waste facilities and other public agencies.

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

Section 1. Section four hundred twenty-two point forty-three (422.43), unnumbered paragraph one (1), Code 1977, is amended to read as follows:

There is hereby imposed a tax of three percent upon the gross receipts from all sales of tangible personal property, consisting of goods, wares, or merchandise, except as otherwise provided in this division, sold at retail in the state to consumers or users; a like rate of tax upon the gross receipts from the sales, furnishing or service of gas, electricity, water, heat, and communication service, including the gross receipts from such sales by any municipal corporation furnishing gas, electricity, water, heat, and communication service to the public in its proprietary capacity, except as otherwise provided in this division, when sold at retail in the state to consumers or users; and a like rate of tax

upon the gross receipts from all sales of tickets or admissions to places of amusement, fairs, and athletic events ~~including~~ except those of elementary and secondary educational institutions, ~~fairs~~; and a like rate of tax upon that part of private club membership fees or charges paid for the privilege of participating in any athletic sports provided club members.

Sec. 2. Section four hundred twenty-two point forty-three (422.43), unnumbered paragraph nine (9), Code 1977, is amended to read as follows:

The following enumerated services shall be subject to the tax herein imposed on gross taxable services: Alteration and garment repair; armored car; automobile repair; battery, tire and allied; investment counseling (excluding investment services of trust departments); bank service charges; barber and beauty; boat repair; car wash and wax; carpentry; roof, shingle, and glass repair; dance schools and dance studios; dry cleaning, pressing, dyeing, and laundering; electrical repair and installation; engraving, photography, and retouching; equipment rental; excavating and grading; farm implement repair of all kinds; flying service, except agricultural aerial application services and aerial commercial and charter transportation services; furniture, rug, upholstery repair and cleaning; fur storage and repair; golf and country clubs and all commercial recreation; house and building moving; household appliance, television, and radio repair; jewelry and watch repair; machine operator; machine repair of all kinds; motor repair; motorcycle, scooter, and bicycle repair; oilers and lubricators; office and business machine repair; painting, papering, and interior decorating; parking lot; pipe fitting and plumbing; wood preparation; private employment agencies; printing and binding; sewing and stitching; shoe repair and shoeshine; storage ~~warehouse-and-storage-lecker~~ warehousing of raw agricultural products; telephone answering service; test laboratories; termite, bug, roach, and pest eradicators; tin and sheet metal repair; turkish baths, massage, and reducing salons; vulcanizing, recapping, and retreading; ~~warehouse~~; weighing; welding; well drilling; wrapping, packing, and packaging of merchandise other than processed meat, fish, fowl and vegetables; wrecking service; wrecker and towing.

Sec. 3. Section four hundred twenty-two point forty-five (422.45), subsection five (5) and subsection seven (7),

unnumbered paragraph one (1), Code 1977 Supplement, are amended to read as follows:

5. The gross receipts or from services rendered, furnished, or performed and of all sales of goods, wares or merchandise used for public purposes to any tax-certifying or tax-levying body of the state of Iowa or governmental subdivision thereof, including the state board of regents, state department of social services, state department of transportation, any municipally-owned solid waste facility which sells all or part of its processed waste as fuel to a municipally-owned public utility and all divisions, boards, commissions, agencies or instrumentalities of state, federal, county or municipal government ~~which derive disburseable funds from appropriations or allotments of funds raised by the levying and collection of taxes~~, which have no earnings going to the benefit of an equity investor or stockholder except sales of goods, wares or merchandise or from services rendered, furnished, or performed and used by or in connection with the operation of any municipally-owned public utility engaged in selling gas, electricity or heat to the general public.

The exemption provided by this subsection shall also apply to all such sales of goods, wares or merchandise or from services rendered, furnished, or performed and subject to use tax under the provisions of chapter 423.

7. Any private nonprofit educational institution in this state or any tax-certifying or tax-levying body of the state of Iowa or governmental subdivision thereof, including the state board of regents, state department of social services, state department of transportation, any municipally-owned solid waste facility which sells all or part of its processed waste as fuel to a municipally-owned public utility and all divisions, boards, commissions, agencies or instrumentalities of state, federal, county or municipal government ~~which derive disburseable funds from appropriations or allotments of funds raised by the levying and collection of taxes~~ which have no earnings going to the benefit of an equity investor or stockholder may make application to the department for the refund of any sales or use tax upon the gross receipts of all sales of goods, wares or merchandise or from services rendered, furnished, or performed to any contractor, used in the fulfillment of any written contract with the state of Iowa, ~~or~~ any political subdivision thereof, or any division, board, commission, agency or instrumentality thereof, or any

private nonprofit educational institution in this state which property becomes an integral part of the project under contract and at the completion thereof becomes public property, or is devoted to educational uses as specified in this subsection except goods, wares or merchandise or services rendered, furnished, or performed used in the performance of any contract in connection with the operation of any municipal utility engaged in selling gas, electricity, or heat to the general public; and excepting such goods, wares and merchandise used in the performance of any contract for a "project" under said chapter 419 as defined therein other than goods, wares or merchandise used in the performance of any contract for any "project" under said chapter 419 for which a bond issue was or will have been approved by a municipality prior to July 1, 1968.

Sec. 4. Section four hundred twenty-two point forty-five (422.45), subsection fifteen (15), Code 1977 Supplement, is amended to read as follows:

15. Gross receipts from the sale or rental of prosthetic, orthotic or orthopedic devices for human use. For purposes of this subsection, "orthopedic devices" means those devices prescribed to be used for orthopedic purposes by a physician and surgeon licensed under chapter 148, an osteopath licensed under chapter 150, an osteopathic physician and surgeon licensed under chapter 150A, a dentist licensed under chapter 153, or a podiatrist licensed under chapter 149.

Sec. 5. Section four hundred twenty-two point forty-five (422.45), Code 1977 Supplement, is amended by adding the following new subsection:

NEW SUBSECTION. The gross receipts from the sale of horses, commonly known as draft horses, when purchased for use and so used as a draft horse.

Sec. 6. Section four hundred twenty-two point forty-five (422.45), Code 1977 Supplement, is amended by adding the following new subsection:

NEW SUBSECTION. Gross receipts from the sale of tangible personal property, except vehicles subject to registration, to a person regularly engaged in the business of leasing if the period of the lease is for more than one year, such tangible personal property, and the leasing of such property is subject to taxation under this division. Tangible personal property exempt under this subsection if made use of for any purpose other than leasing or renting, the person claiming the exemption under this subsection shall be liable for the

tax that would have been due except for this subsection. The tax shall be computed upon the original purchase price. The aggregate of the tax paid on the leasing or rental of such tangible personal property, not to exceed the amount of the sales tax owed, shall be credited against such tax. This sales tax shall be in addition to any sales or use tax that may be imposed as a result of the disposal of such tangible personal property.

Sec. 7. Section four hundred twenty-three point four (423.4), Code 1977, is amended by adding the following new subsections:

NEW SUBSECTION. Vehicles, as defined in subsections four (4), six (6), eight (8), nine (9) and ten (10) of section three hundred twenty-one point one (321.1) of the Code, except such vehicles subject to registration which are designed primarily for carrying persons, when purchased for lease and actually leased to a lessee for use outside the state of Iowa and the subsequent sole use in Iowa is in interstate commerce or interstate transportation. This subsection shall be retroactive to January 1, 1973.

NEW SUBSECTION. Tangible personal property which, by means of fabrication, compounding, or manufacturing, become an integral part of vehicles, as defined in subsections four (4), six (6), eight (8), nine (9) and ten (10) of section three hundred twenty-one point one (321.1) of the Code, manufactured for lease and actually leased to a lessee for use outside the state of Iowa and the subsequent sole use in Iowa is in interstate commerce or interstate transportation. Vehicles subject to registration which are designed primarily for carrying persons are excluded from this subsection. This subsection shall be retroactive to January 1, 1973.

Approved June 26, 1978