

18. 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 or in the consumer rental purchase business if the property is to be utilized in a transaction involving a consumer rental purchase agreement as defined in section 537.3604, subsection 8, and the leasing or consumer rental of such the property is subject to taxation under this division.~~ ~~Tangible~~ If tangible personal property exempt under this subsection ~~if is~~ made use of for any purpose other than leasing, ~~or~~ renting, ~~or consumer rental purchase~~, the person claiming the exemption under this subsection ~~shall be is~~ 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, renting, or rental purchase~~ of such tangible personal property, not to exceed the amount of the sales tax owed, shall be credited against ~~such the~~ tax. This sales tax ~~shall be is~~ in addition to any sales or use tax that may be imposed as a result of the disposal of such tangible personal property.

Sec. 2. Section 422.52, Code 1989, is amended by adding the following new subsection:  
NEW SUBSECTION. 7. The tax on gross receipts from the sale or rental of tangible personal property under a consumer rental purchase agreement as defined in section 537.3604, subsection 8, is payable in the tax period of receipt.

Approved May 26, 1989

## CHAPTER 233

### REIMBURSEMENT FOR RENT CONSTITUTING PROPERTY TAX PAID

*H.F. 771*

**AN ACT** relating to eligibility for reimbursement for rent constituting property tax paid and providing for a retroactive applicability date.

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

Section 1. Section 425.17, subsection 4, Code 1989, is amended to read as follows:

4. "Homestead" means the dwelling owned or rented and actually used as a home by the claimant during all or part of the base year, and so much of the land surrounding it including one or more contiguous lots or tracts of land, as is reasonably necessary for use of the dwelling as a home, and may consist of a part of a multidwelling or multipurpose building and a part of the land upon which it is built. It does not include personal property except that a mobile home may be a homestead. Any dwelling or a part of a multidwelling or multipurpose building which is exempt from taxation does not qualify as a homestead under this division. However, solely for purposes of claimants living in a property and receiving reimbursement for rent constituting property taxes paid immediately before the property becomes tax exempt, and continuing to live in it after it becomes tax exempt, the property shall continue to be classified as a homestead. A homestead must be located in this state. When a person is confined in a nursing home, extended-care facility, or hospital, the person shall be considered as occupying or living in the person's homestead if the person is the owner of the homestead and the person maintains the homestead and does not lease, rent, or otherwise receive profits from other persons for the use of the homestead.

Sec. 2. This Act applies retroactively to January 1, 1988.

Approved May 26, 1989