

CHAPTER 1185**MEDICAL ASSISTANCE REIMBURSEMENTS TO AREA EDUCATION AGENCIES***S.F. 2324*

AN ACT providing for area education agency administrative costs relating to special education services reimbursed under the medical assistance program.

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

Section 1. **MEDICAL ASSISTANCE ADMINISTRATIVE COSTS — AREA EDUCATION AGENCIES.**

The area education agencies shall determine their administrative costs relating to recording and billing for medical assistance reimbursement for special education services provided pursuant to section 281.15. Up to twelve percent of the federal funds received from the medical assistance reimbursement may be used to pay for the area education agencies' administrative costs.

Approved April 24, 1990

CHAPTER 1186**SALES AND USE TAX PROCESSING EXEMPTION'S
APPLICABILITY TO CARBON DIOXIDE***S.F. 2406*

AN ACT relating to the sales and use tax on carbon dioxide and providing a retroactive applicability date.

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

Section 1. Section 422.42, subsection 3, Code 1989, is amended to read as follows:

3. "Retail sale" or "sale at retail" means the sale to a consumer or to any person for any purpose, other than for processing, for resale of tangible personal property or taxable services, or for resale of tangible personal property in connection with taxable services; and includes the sale of gas, electricity, water, and communication service to retail consumers or users; but does not include agricultural breeding livestock and domesticated fowl; and does not include commercial fertilizer, agricultural limestone, herbicide, pesticide, insecticide, food, medication, or agricultural drain tile, including installation of agricultural drain tile, any of which are to be used in disease control, weed control, insect control, or health promotion of plants or livestock produced as part of agricultural production for market; and does not include electricity, steam, or any taxable service when purchased and used in the processing of tangible personal property intended to be sold ultimately at retail. When used by a manufacturer of food products, carbon dioxide in a liquid, solid, or gaseous form, electricity, steam, and other taxable services are sold for processing when used to produce marketable food products for human consumption, including but not limited to, treatment of material to change its form, context, or condition, in order to produce the food product, maintenance of quality or integrity of the food product, changing or maintenance of temperature levels necessary to avoid spoilage or to hold the food product in marketable condition, maintenance of environmental conditions necessary for the safe or efficient use of machinery and material used to produce the food product, sanitation and quality control activities, formation of packaging, placement into shipping containers, and movement of the material or food product until shipment from the building of manufacture. Tangible personal property is sold for processing within the meaning of this subsection