

CHAPTER 1124**SALES, SERVICES, AND USE TAX EXEMPTION – STATE AND COUNTY FAIRS***H.F. 2422*

AN ACT relating to state sales and services tax exemption for sales or services rendered, furnished, or performed by state and county fairs.

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

Section 1. Section 422.45, Code Supplement 1995, is amended by adding the following new subsection:

NEW SUBSECTION. 50. The gross receipts from sales or services rendered, furnished, or performed by the state fair organized under chapter 173 or a fair society organized under chapter 174.

Approved April 17, 1996

CHAPTER 1125**MOTOR VEHICLE LEASE TAX***H.F. 569*

AN ACT relating to the motor vehicle leasing tax and providing an applicability provision.

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

Section 1. Section 331.557, subsection 3, Code 1995, is amended to read as follows:

3. Collect the use tax on vehicles subject to registration as provided in sections 423.6, ~~and 423.7,~~ and 423.7A.

Sec. 2. Section 423.2, Code 1995, is amended to read as follows:

423.2 IMPOSITION OF TAX.

An excise tax is imposed on the use in this state of tangible personal property purchased for use in this state, at the rate of five percent of the purchase price of the property. An excise tax is imposed on the use of leased vehicles at the rate of five percent of the amount otherwise subject to tax as calculated pursuant to section 423.7A. The excise tax is imposed upon every person using the property within this state until the tax has been paid directly to the county treasurer or the state department of transportation, to a retailer, or to the department. An excise tax is imposed on the use in this state of services enumerated in section 422.43 at the rate of five percent. This tax is applicable where services are rendered, furnished, or performed in this state or where the product or result of the service is used in this state. This tax is imposed on every person using the services or the product of the services in this state until the user has paid the tax either to an Iowa use tax permit holder or to the department.

Sec. 3. Section 423.4, Code 1995, is amended by adding the following new subsection:

NEW SUBSECTION. 16. Vehicles subject to registration under chapter 321, with a gross vehicle weight rating of less than sixteen thousand pounds, excluding motorcycles and motorized bicycles, when purchased for lease and titled by the lessor licensed pursuant to chapter 321F and actually leased for a period of twelve months or more if the lease of the vehicle is subject to taxation under section 423.7A.

Sec. 4. Section 423.6, subsection 1, Code 1995, is amended to read as follows:

1. The tax upon the use of all vehicles subject to registration or subject only to the