

**CHAPTER 1145****SALES, SERVICES, AND USE TAX EXEMPTION FOR  
AGRICULTURAL PACKAGING MATERIALS***S.F. 2097*

**AN ACT** providing a sales, services, and use tax exemption on certain packaging materials used in agricultural, livestock, or dairy production.

*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 the sale of property which is a container, label, carton, pallet, packing case, wrapping, baling wire, twine, bag, bottle, shipping case, or other similar article or receptacle sold for use in agricultural, livestock, or dairy production.

Sec. 2. **APPLICABILITY.** This Act applies to sales occurring on or after July 1, 1996.

Approved April 23, 1996

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**CHAPTER 1146****TAXATION OF ORGANIZED HEALTH CARE DELIVERY SYSTEMS***H.F. 2432*

**AN ACT** relating to the taxation of payments received by organized health care delivery systems.

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

Section 1. **NEW SECTION.** 135.120 **TAXATION OF ORGANIZED DELIVERY SYSTEMS.**

Payments received by an organized delivery system licensed by the director for health care services, insurance, indemnity, or other benefits to which an enrollee is entitled through an organized delivery system authorized under 1993 Iowa Acts, chapter 158, and payments by an organized delivery system licensed by the director to providers for health care services, to insurers, or corporations authorized under chapter 514 for insurance, indemnity, or other service benefits authorized under 1993 Iowa Acts, chapter 158, are not premiums received and taxable under the provisions of section 432.1 for the first five years of the existence of the organized delivery system, its successors or assigns, or the first five years after the effective date of this section, whichever is the later. After the first five years, the payments received shall be considered premiums received and shall be taxable under the provisions of section 432.1. However, payments made by the United States secretary of health and human services under contracts issued under section 1833 or 1876 of the federal Social Security Act, section 4015 of the federal Omnibus Budget Reconciliation Act of 1987, or chapter 249A for enrolled members shall not be considered premiums received and shall not be taxable under section 432.1.

Sec. 2. Section 1 of this Act is to be codified as a separate division in chapter 135 unless the Code editor determines a more appropriate chapter.

Approved April 23, 1996