

SENATE FILE 2228  
BY McKIBBEN

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

A BILL FOR

1 An Act exempting from the state sales and use taxes services  
2 furnished for the production of master audio, video, film, and  
3 digital recordings, providing limited refunds, and including  
4 effective and retroactive applicability date provisions.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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SF 2228  
WAYS & MEANS

1 Section 1. Section 422.45, Code Supplement 2003, is  
2 amended by adding the following new subsection:

3 NEW SUBSECTION. 66. The gross receipts from services  
4 rendered, furnished, or performed for the production of master  
5 audio, video, film, or digital recordings or similar media.

6 Sec. 2. Section 423.3, as enacted by 2003 Iowa Acts, First  
7 Extraordinary Session, chapter 2, section 96, is amended by  
8 adding the following new subsection:

9 NEW SUBSECTION. 84. The sales price of services furnished  
10 for the production of master audio, video, film, or digital  
11 recordings or similar media.

12 Sec. 3. REFUNDS. Refunds of taxes, interest, or penalties  
13 which arise from claims resulting from the enactment of  
14 section 1 of this Act, for sales of services furnished which  
15 are used in the production of master audio, video, film, or  
16 digital recordings or similar media occurring between January  
17 1, 1994, and the effective date of section 1 of this Act,  
18 shall be limited to twenty-five thousand dollars in the  
19 aggregate and shall not be allowed unless refund claims are  
20 filed prior to October 1, 2004, notwithstanding any other  
21 provision of law. If the amount of claims totals more than  
22 twenty-five thousand dollars in the aggregate, the department  
23 of revenue shall prorate the twenty-five thousand dollars  
24 among all claimants in relation to the amounts of the  
25 claimants' valid claims.

26 Sec. 4. EFFECTIVE DATES AND RETROACTIVE APPLICABILITY  
27 PROVISIONS.

28 1. This Act, except for section 2 of this Act, being  
29 deemed of immediate importance, takes effect upon enactment  
30 and applies retroactively to January 1, 1994.

31 2. Section 2 of this Act takes effect July 1, 2004.

32 3. Section 1 of this Act is void on and after July 1,  
33 2004.

34 4. Section 3 of this Act ceases to apply after September  
35 30, 2004.

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EXPLANATION

This bill exempts from state sales and use taxes the provision of services for the production of master audio, video, film, or digital recordings or similar media. The bill takes effect upon enactment and applies retroactively to January 1, 1994. Because of the retroactive applicability provision, refunds of any taxes are limited to \$25,000 and claims for refund must be filed before October 1, 2004. Because Code section 422.45 is repealed and transferred to Code section 423.3 as a result of action taken in the 2003 Special Session, the exemption for these services is also added to Code section 423.3 as provided in section 2 of this bill.