

House File 103 - Introduced

HOUSE FILE 103

BY HINSON

A BILL FOR

1 An Act relating to the sales tax exemption for certain
2 wastewater treatment or effluent treatment services.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 423.3, subsection 32, paragraph c, Code
2 2017, is amended to read as follows:

3 c. The sale or furnishing of sewage service for
4 nonresidential commercial operations, except for water
5 treatment or effluent treatment services to a paper recycling
6 mill.

7 EXPLANATION

8 The inclusion of this explanation does not constitute agreement with
9 the explanation's substance by the members of the general assembly.

10 This bill relates to the sales tax exemption for certain
11 wastewater treatment or effluent treatment services.

12 Currently, the sales price of tangible personal property
13 sold, or of services furnished, by a county or city are exempt
14 from sales tax with four listed exceptions to the exemption.
15 One of the exceptions is for the sale or furnishing of sewage
16 service for nonresidential commercial operations which makes
17 such service subject to the sales tax. The bill excludes from
18 the exception water treatment or effluent treatment services to
19 a paper recycling mill which makes such services exempt from
20 sales tax.

21 By operation of Code section 423.6, an item exempt from the
22 imposition of the sales tax is also exempt from the use tax
23 imposed in Code section 423.5.