February 21, 1957.
Passed on File.

Senate File 318
By NOLAN and WALKER.

Passed Senate, Date 4-29 Passed House, Date.....
Vote: Ayes 34 Nays 7 Vote: Ayes..... Nays.....
Approved.....

A BILL FOR

An Act to amend chapter four hundred twenty-eight (428), Code 1954, and section four hundred twenty-seven point one (427.1), Code 1954, to provide for an excise tax on handling of food products by manufacturers, processors, warehouse men and other handlers except retailers and original growers or producers, and exempting food products while being so handled from general property taxes.

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

1 Section 1. Chapter four hundred twenty-eight (428), Code
2 1954, is hereby amended by adding as a new section thereof,
3 the following:
4 1. Definitions. Food products shall mean all products
5 processed or manufactured for human consumption except fresh
6 milk, raw or pasteurized, by any person, firm or corporation,
7 except the original raiser or grower thereof, and except the
8 ultimate retailer or handler who sells such food products
9 directly to the consumer. In the event any such ultimate
10 retailer either maintains his own separate storage facilities
11 or stores or warehouses food products with others, the food
12 products stored in his separate warehouses or with others shall
13 be taxed only under the provisions of this section and shall not
14 be considered as inventories or property of the retail outlets
15 of any such persons. A manufacturer, processor, custodian or
16 other handler shall mean the first person, firm or corporation
17 in the manufacturing, processing and distribution process.

18 2. Tax Imposed. An excise tax is hereby levied on all
19 handling of food products as defined in subsection one (1)
20 hereof by manufacturers, processors, warehouse men and other
21 handlers as defined in subsection one (1) herein, whether as
22 owners or custodians thereof, in a sum equal to one-twentieth
23 mill per pound upon all such food products so handled, except
24 as hereinafter provided.
25 3. Food Products in Transit Exempt. Food products
26 produced, manufactured, processed or raised outside the state
27 of Iowa, which are merely warehoused or stored in this state,
28 with no manufacturing or processing operation performed on the
29 same in this state, and which either have moved, or are intended
30 to move, to retailers or ultimate consumers without the state
31 shall be considered as in transit storage only in this state,
32 and neither such products nor the handling thereof by warehouse
33 men or others in this state shall be taxable, either under this
34 act or otherwise as property under the statutes with respect to
35 general property taxes.
36 4. One Handling in Iowa Taxable. The excise tax imposed
37 under the terms hereof shall be levied only on one handling
38 of each pound of such food products in the state of Iowa.
39 5. Statements Required. Every person engaged in handling
40 such food products shall, prior to the first day of March of
41 each year, make and file with the assessor a sworn statement
42 of the number of pounds of such food products handled by him
43 in that district during the calendar year ended on the last
44 day of December prior thereto, showing on such statement the
45 number of pounds thereof which were handled by him as owner
46 thereof, and the number of pounds handled as a warehouse man

47 or otherwise for others. Such statement shall also show the
48 facts as to any of such food products handled more than once
49 by the same person as owner, or handled by a warehouse man,
50 custodian or other handler for others, which were certified
51 to him to have been theretofore handled at least once in the
52 state of Iowa at some other place in the state. The assessor
53 shall have the right, on demand, to inspect all records of all
54 such manufacturers, processors, custodians or other handlers.
55 In the event any such food products shall be handled by or
56 for one owner in more than one assessment or taxing district
57 in the state, the handling tax shall be levied in the first
58 district only in which the same was so handled. Forms for
59 making statements required under the terms hereof shall be
60 prepared and furnished for each assessor by the state tax
61 commission. If a statement as herein required is not furnished,
62 the person failing to furnish the same shall be assessed by the
63 assessor under and pursuant to section four hundred forty-one
64 point sixteen (441.16), Code 1954.
65 6. Assessment. The assessor of each such district, from
66 the statements furnished him or such other information as he
67 may acquire, shall ascertain the number of pounds of such food
68 products so handled by any such manufacturer, processor, custodian
69 or other handler in the calendar year involved which is subject
70 to the excise tax levied under the terms hereof, and shall assess
71 each such person with the tax due from him as hereinabove
72 provided. In all instances the tax shall be assessed against the
73 owner of the products, except where the first handling thereof in
74 Iowa is by a warehouse man, or other handler and the owner thereof
75 is not a resident of such assessment district for taxation

76 purposes, in which case the tax shall be assessed against the
77 warehouse man or other handler; and such warehouse man or
78 other handler shall have and is hereby given the right to collect
79 the amount of any such tax assessed and paid by him from the
80 owner of the products, the handling of which was taxed, in
81 addition to all other warehousing or other charges due him.
82 8. Payment of Tax. All taxes assessed as herein provided
83 shall be entered in the same manner as general personal taxes
84 on the tax lists of the taxing district, and the proceeds
85 thereof distributed to and between levying or taxing units in
86 the same manner and in the same proportions as general personal
87 property tax in such district. All provisions of law relating
88 to assessment and collection of personal property taxes, and
89 the powers and duties of the county treasurer, county auditor
90 and all other officers with respect to assessment and collection
91 thereof shall apply.
1 Sec. 2. Section four hundred twenty-seven point one
2 (427.1), Code 1954, is hereby amended by adding a new subsection
3 thereto as follows:
4 "28. Food Products. Food products handled as defined
5 under chapter four hundred twenty-eight (428)."

1 Amend Senate File 318 by striking all after the enacting
2 clause thereof, and substitute therefor the following:
3 Section 1. Chapter four hundred twenty-eight (428), Code
4 1954, is hereby amended by adding as a new section thereof, the
5 following:
6 1. Definitions. "Food products" shall mean all products
7 processed, manufactured, raised or grown for human consumption
8 except fresh milk, raw or pasteurized. "Handling" shall mean
9 the acquisition of ownership, custody or possession of such
10 food products for the purpose of either (1) in whole or in part
11 processing or manufacturing the same into products for human
12 consumption, or (2) for the purpose of transporting, storing,
13 packaging, wholesaling or performing any other act with respect
14 to such food products incident to their distribution for ultimate
15 consumption, either in their natural state or after being processed
16 or manufactured, except handling by the original raiser or grower
17 thereof incident to such raising or growing or the usual or ordinary
18 first sale or disposition thereof, and except handling by the
19 ultimate retailer or handler who sells such food products directly
20 to the consumer. In the event any such ultimate retailer or
21 handler either maintains his own separate storage facilities
22 or stores or warehouses such food products with others, the food
23 products stored in his warehouse facilities or with others shall
24 be taxed only under the provisions of this section and shall
25 not be considered as inventories or property of the retail outlets
26 of any such persons.
27 2. Tax Imposed. An excise tax is hereby levied on all
28 handling of food products as defined in subsection one (1) hereof
29 by manufacturers, processors, warehousemen and other handlers,
30 whether as owners or custodians thereof, in a sum equal to one-
31 tenth mill per pound upon all such food products so handled,
32 except as hereinafter provided. The tax imposed herein on a
33 manufacturer or processor shall be measured by the pounds of
34 such food products remaining for human consumption when his manu-
35 facturing or processing is completed. Weights of packaged food
36 products shall be the net weights of the food products, excluding
37 the weights of the packages and containers therefor.
38 3. One Handling by the Same Owner in Iowa Taxable. The excise
39 tax imposed under the terms hereof shall be levied only on one
40 handling of each pound of such food products in the state of
41 Iowa so long as the same remains the property of the same person,
42 whether he move it into the custody and possession of others
43 as warehousemen or otherwise.
44 4. Statements Required. Every person engaged in handling
45 such food products shall, prior to the first day of March of
46 each year, make and file with the assessor a sworn statement
47 of the number of pounds of such food products handled by him
48 in that district during the calendar year ended on the last
49 day of December prior thereto, showing on such statement the
50 number of pounds thereof which were handled by him as owner
51 thereof, and the number of pounds handled as a warehouseman
52 or otherwise for others. Such statement shall also show the
53 facts as to any of such food products handled more than once by
54 the same person as owner, or handled by a warehouseman, custodian
55 or other handler for others, which were certified to him to have
56 been theretofore handled at least once in the state of Iowa at
57 some other place in the state by or for the owner who delivered
58 the same to such warehouseman, custodian or other handler. The
59 assessor shall have the right, on demand, to inspect all records
60 of all such manufacturers, processors, custodians or other handlers.
61 In the event any such food products shall be handled by or for
62 one owner in more than one assessment or taxing district in the
63 state, the handling tax shall be levied in the first district
64 only in which the same was so handled. Forms for making statements
65 required under the terms hereof shall be prepared and furnished
66 for each assessor by the state tax commission. If a statement
67 as herein required is not furnished, the person failing to furnish
68 the same shall be assessed by the assessor under and pursuant
69 to section four hundred forty-one point sixteen (441.16), Code 1954.

70 5. Assessment. The assessor of each such district, from
71 the statements furnished him or such other information as he
72 may acquire, shall ascertain the number of pounds of such food
73 products so handled by any such manufacturer, processor, custodian
74 or other handler in the calendar year involved which is subject
75 to the excise tax levied under the terms hereof, and shall assess
76 each such person with the tax due from him as hereinabove
77 provided. In all instances the tax shall be assessed against the
78 owner of the products, except where the first handling thereof
79 in Iowa is by a warehouseman, or other handler and the owner
80 thereof is not a resident of such assessment district for taxation
81 purposes, in which case the tax shall be assessed against the
82 warehouseman or other handler; and such warehouseman or other
83 handler shall have and is hereby given the right to collect
84 the amount of any such tax assessed and paid by him from the
85 owner of the products, the handling of which was taxed, in
86 addition to all other warehousing or other charges due him.
87 6. Payment of Tax. All taxes assessed as herein provided
88 shall be entered in the same manner as general personal taxes
89 on the tax lists of the taxing district, and the proceeds
90 thereof distributed to and between levying or taxing units in
91 the same manner and in the same proportions as general personal
92 property tax in such district. All provisions of law relating
93 to assessment and collection of personal property taxes, and
94 the powers and duties of the county treasurer, county auditor
95 and all other officers with respect to assessment and collection
96 thereof shall apply.
97 7. Any manufacturer, processor or other handler subject
98 to taxation under the provisions hereof may elect to be taxed
99 on the taxable value of his inventories of such food products
100 from year to year under Sections 428.17 and 428.21, Code 1954,
101 where applicable, in lieu of the provisions herein; provided,
102 however, that if he shall so elect he shall not thereafter rescind
103 such election without the consent of the assessor for the taxing
104 district involved.
105 Section 2. Section four hundred twenty-seven point one
106 (427.1), Code 1954, is hereby amended by adding a new subsection
107 thereto as follows:
108 "28. Food Products. Food products handled and taxed as
109 defined and provided under chapter four hundred twenty-eight
110 (428)."

Filed adopted as amended 4-24
March 13, 1957. By NOLAN. 29

SENATE FILE 318

1 Amend the Nolan amendment to Senate File 318 by
2 striking the period (.) in line 8 and substitute
3 therefor the following: ", and fresh fruits and
4 vegetables."
5 2. Further amend the Nolan amendment by striking
6 the period (.) in line 43 of subsection 3 of section 1
7 and insert in lieu thereof the following: ", except
8 that such food products shall be taxed when in the
9 possession of the ultimate retailer as provided by section
10 four hundred twenty-eight point seventeen (428.17) and four
11 hundred twenty-eight point twenty-one (428.21), Code 1954."

Filed adopted
March 25, 1957. By NOLAN.

SENATE FILE 318

1 Amend the Nolan amendment to Senate File 318 filed
2 March 13, 1957, by striking subsection 7 of Section 1
3 and substitute in lieu thereof the following:
4 "Any handler of food products as herein defined
5 may if he so elects be taxed as herein provided by filing
6 such election with the assessor in his respective taxing
7 district on or before the 1st day of March in the year
8 of such assessment; if such taxpayer so elects to be taxed
9 in accordance with the provisions herein contained, he
10 shall be exempt from a personal property tax for that
11 year for such food products. If such taxpayer so elects
12 to be taxed as herein provided, he shall not thereafter
13 rescind such election for subsequent years of assessment
14 without the consent of the assessor for the taxing district
15 involved.
16 If such taxpayer does not elect to be taxed as herein
17 provided, he shall be assessed for his personal property,
18 including merchandise, as otherwise now provided."

Interconsidered withdrawn 4-29 adopted 4-18

Filed
April 9, 1957. By NOLAN.

SENATE FILE 318

1 Amend the Nolan amendment to Senate File 318
2 filed on March 13, 1957, by striking all of subsection 1
3 of Section 1 after the word "manufactured" in line 16 and
4 substitute a period (.) therefor.
5 2. Further amend the Nolan amendment filed on
6 March 13, 1957, to Senate File 318 by inserting the following
7 after the word "products" in line 28 thereof: "in the hands
8 of a manufacturer, processor or public warehouseman,"

adopted

Filed
April 22, 1957. By NOLAN.

SENATE FILE 318

1 Amend the Nolan amendment to Senate File 318 filed on
2 March 13, 1957, by striking all of line 29 thereof.

adopted

Filed
April 23, 1957. By NOLAN.

SENATE FILE 318

1 Amend the title to Senate File 318 by striking the
2 comma (,) after the word "processors" in line 4 and substitute
3 in lieu thereof the word "and".
4 2. Further amend the title to Senate File 318 by
5 striking the following in lines 5 and 6: "and other handlers
6 except retailers and original growers or producers".

adopted 4-29

Filed
April 24, 1957. By NOLAN.

SENATE FILE 318

1 Amend the Nolan amendment to Senate File 318 filed March 13,
2 1957, by striking subsection 7 of Section 1 and substitute
3 in lieu thereof the following:
4 "Any handler of food products as herein defined may if
5 he so elects be taxed as herein provided by filing such
6 election with the assessor in his respective taxing district
7 or or before the 1st day of March in the year of such
8 assessment; if the taxpayer so elects to be taxed in accor-
9 dance with the provisions herein contained, he shall be
10 exempt from a personal property tax for that year for such
11 food products. If such taxpayer so elects to be taxed as
12 herein provided, he shall not thereafter rescind such
13 election for subsequent year of assessment.
14 If such taxpayer does not elect to be taxed as herein
15 provided, he shall be assessed for his personal property,
16 including merchandise, as otherwise now provided."

adopted 4-29

Filed
April 25, 1957. By LONG.