

February 27, 1957.  
Passed on File.

**Senate File 418**  
By PRENTIS, NOLAN, LYNES and VEST.

Passed Senate, Date..... Passed House, Date.....  
Vote: Ayes..... Nays..... Vote: Ayes..... Nays.....  
Approved.....

## A BILL FOR

An Act to provide an educational sales and use tax, to prescribe the allocation of the revenue raised by such tax, and to amend certain sections of the Code relating to the provisions of this Act.

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

1 Section 1. Section four hundred twenty-two point forty-three  
2 (422.43), Code 1954, as amended by section seven (7), chapter  
3 forty-five (45), and sections one (1) and two (2), chapter two  
4 hundred and twelve (212), Acts of the Fifty-sixth General Assembly,  
5 is hereby amended as follows:

6 1. By adding thereto the following: "There is hereby  
7 imposed beginning the first day of July, 1957, an additional  
8 tax of one (1) percent upon the gross receipts from all sales  
9 of tangible personal property and all other transactions subject  
10 to sales tax under the provisions of this section. This tax  
11 shall be known as the educational sales tax and the proceeds  
12 of such tax shall be appropriated as prescribed in section five  
13 (5) of this Act. All provisions of the Code relating to the  
14 imposition, collection and administration of the sales tax  
15 shall apply to the educational sales tax."

16 2. By inserting after the word "revenues" in line fifty-five  
17 (55) the words", except those from the educational sales tax,".

1 Sec. 2. Section four hundred twenty-two point sixty-two  
2 (422.62), Code 1954, as amended by section eight (8), chapter  
3 forty-five (45), Acts of the Fifty-sixth General Assembly, is

4 hereby amended as follows:

5 1. By inserting after the word "receipts" in line seven

6 (7) the words, ". except those from the educational sales tax."

7 2. By inserting after word "chapter," in lines eleven (11)

8 and twelve (12) the words "except the proceeds of the educational  
9 sales tax."

10 3 By inserting after the word "commission." in line

11 seventeen (17) the following new sentence: "The proceeds of

12 the educational sales tax shall be credited by the treasurer

13 of the state in the manner provided for in section five (5) of

14 this Act."

1 Sec. 3 Section four hundred twenty-three point two (423.2),

2 Code 1954, as amended by section nine (9), chapter forty-five

3 (45), Acts of the Fifty-sixth General Assembly, is hereby

4 amended by adding to such section the following: "An excise

5 tax is hereby imposed upon the use in this state of tangible

6 personal property purchased on or after the first (1) day of

7 July, 1957, for use in this state, except motor vehicles, trail-

8 ers and motor vehicle accessories and equipment, at the rate

9 of one (1) percent of the purchase price of such property.

10 This tax shall be known as the educational use tax and shall

11 be in addition to all other use taxes imposed. Said tax is

12 hereby imposed upon every person using such property within

13 this state until such tax has been paid through the retailer

14 or to the state tax commission as hereinafter provided. This

15 tax shall not apply to the use of tangible personal property

16 exempted by section four hundred twenty-three point four

17 (423.4). All provisions of the Code relating to the imposition,

18 collection and administration of the use tax shall apply to the

19 educational use tax.”

1 Sec. 4. Section four hundred twenty-three point twenty-four  
2 (423.24), Code 1954, as amended by section ten (10), chapter  
3 forty-five (45), Acts of the Fifty-sixth General Assembly, is  
4 hereby amended as follows:

5 1. By adding to line one (1) of such section before the  
6 word “All” the number “1.”

7 2. By adding to such section the following new subsection:  
8 “2. Subsection one (1) of this section shall not apply to the  
9 proceeds of the educational use tax. The proceeds of the  
10 educational use tax shall be appropriated as prescribed in  
11 section five (5) of this Act.”

1 Sec. 5. The proceeds of the educational sales and use taxes  
2 received by the state treasurer during each fiscal year beginn-  
3 ing July 1, 1957, shall be placed by the treasurer in a special  
4 educational fund during such fiscal year. The special school  
5 aid, the school transportation aid, the supplemental aid to  
6 schools and the general school aid provided by law shall first  
7 be paid from said fund by appropriation made by law.

8 *Second, there is hereby appropriated each fiscal year from*  
9 *said special educational fund the sum of two million dollars*  
10 *(\$2,000,000) to supplement the agricultural land credit fund*  
11 *established by section four hundred twenty-six point one*  
12 *(426.1) of the Code.*

13 *Third, there shall be segregated in said special educational*  
14 *fund until the end of each fiscal year the sum of five million*  
15 *five hundred thousand dollars (\$5,500,000) to pay the standard*  
16 *school aid by appropriation made by law.*

17 *If the revenue in the special educational fund is insufficient*

18 to meet the above appropriations, such revenues shall be devoted  
19 to such appropriations in the order the appropriations are  
20 listed until such revenues are exhausted.