

April 4, 1957.
Passed on File.

Senate File 460
By WAYS AND MEANS COMMITTEE.

Passed Senate, Date 4-10

Passed House, Date 4-25

Vote: Ayes 28 Nays 21

Vote: Ayes 74 Nays 28

~~Ordered~~
Approved May 24, 1957

Senate Vote 4-30
ayes 30 nays 20

A BILL FOR

An Act to provide property tax relief by amendments to the income, sales and use tax laws and providing for allocations of revenues arising from said taxes.

Senate Vote 5-1
ayes 30 nays 18

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

House Vote 5-2
ayes 58 nays 49

1 Section 1. Section four hundred twenty-two point twelve
2 (422.12), Code 1954, is hereby amended as follows:
3 Subsection one (1) is amended by striking the word, "fifteen"
4 and inserting in lieu thereof the word, "twelve".

5 Subsection two (2) is amended by striking from line two (2)
6 the word, "thirty" and inserting in lieu thereof the word,
7 "twenty-four".

8 Chapter two hundred eight (208), section ten (10), Acts of
9 the Fifty-sixth General Assembly is amended by striking the
10 words, "seven dollars fifty cents" from line six (6) and
11 inserting in lieu thereof the words, "twelve dollars (\$12.00)".

1 Sec. 2. Section four hundred twenty-two point thirteen
2 (422.13), Code 1954, is hereby amended as follows:

3 Subsection one (1) is amended by striking the words "fifteen
4 hundred" from line three (3) and inserting in lieu thereof the
5 words, "one thousand one hundred twenty-five"; also by striking
6 from line six (6) the words, "two thousand three hundred fifty"
7 and inserting in lieu thereof the words, "one thousand seven
8 hundred fifty".

9 Subsection two (2) is amended by striking from line two (2)

10 the words, "two thousand" and inserting in lieu thereof the
11 words, "one thousand seven hundred fifty".

12 Further amend by striking the word, "net" in lines one
13 (1) and five (5) of subsection one (1), and in line two (2)
14 of subsection two (2) and insert in lieu thereof the word,
15 "taxable".

1 Sec. 3. Section four hundred twenty-two point five
2 (422.5), Code 1954, is amended as follows:

3 Amend subsection one (1), line two (2), by striking the
4 word, "three-fourths" and inserting in lieu thereof the word,
5 "eight-tenths".

6 Amend subsection two (2), lines two (2) and three (3), by
7 striking the words, "one and one-half" and inserting in lieu
8 thereof the words, "one and six-tenths".

9 Amend subsection three (3), lines two (2) and three (3),
10 by striking the words, "two and one-fourth" and inserting in
11 lieu thereof the words, "two and four-tenths".

12 Amend subsection four (4), line two (2), by striking the
13 word, "three" and inserting in lieu thereof the words, "three
14 and two-tenths".

15 Amend subsection five (5) by striking the words, "three
16 and three-fourths" where they appear in lines two (2) and
17 three (3) and also in lines four (4) and five (5) and insert-
18 ing in lieu thereof in each place the word, "four".

1 Sec. 4. Section four hundred twenty-two point thirty-three
2 (422.33), Code 1954, is amended by striking from line six (6)
3 the word, "two" and inserting in lieu thereof the word, "three".

1 Sec. 5. Section four hundred twenty-two point forty-three
2 (422.43), Code 1954, is amended as follows:

3 1. Add to said section the following:

4 "There is hereby imposed beginning July 1, 1957 an
5 additional tax of one-half ($\frac{1}{2}$) percent upon the gross receipts
6 from all sales of tangible personal property and all other
7 transactions subject to sales tax under the provisions of this
8 section."

9 2. Insert after the word, "fund" in the sixth (6th) line
10 from the end of said section the words, "unless otherwise
11 specifically provided".

1 Sec. 6. Section four hundred twenty-two point sixty-two
2 (422.62), Code 1954, is amended by inserting after the word,
3 "state" in line thirteen (13) the words, "unless otherwise
4 specifically provided".

1 Sec. 7. Section four hundred twenty-three point two
2 (423.2), Code 1954, is hereby amended by adding to such section
3 the following:

4 "An excise tax is hereby imposed upon the use in this state
of tangible personal property purchased after June 30, 1957,
6 except motor vehicles, trailers and motor vehicle accessories
7 or equipment, at the rate of one-half ($\frac{1}{2}$) percent of the
8 purchase price of such property, this tax to be in addition
9 to the two (2) percent tax already imposed by this section.
10 Said tax is hereby imposed upon every person using such prop-
1 erty within this state until such tax has been paid through
2 the retailer, or to the commission, as hereinafter provided."

Sec. 8. Section four hundred twenty-two point sixty-two
2 (422.62), Code 1954, is amended by adding the following:

3 "In order to minimize the need for a property tax levy as
4 provided under section four hundred forty-four point twenty-

5 two (444.22) of the Code, there is hereby set aside two-fifths
6 (2/5) of the sales tax revenue collected under division
7 four (IV) of chapter four hundred twenty-two (422) of the Code
8 as amended, each year beginning July 1, 1957. Said portion
9 so set aside shall be placed by the treasurer of state in a
10 special fund to be known as the. "property tax relief fund"
11 to be allocated as herein provided. The state aid for school
12 transportation, chapter two hundred eighty-five (285) of the
13 Code; the supplementary school aid, chapter two hundred
14 eighty-six (286) of the Code; the general school aid, chapter
15 two hundred eighty-six A (286A) of the Code; and specified
16 school aid shall first be paid from said fund by such
17 appropriations as may be made by law. Secondly, any sum
18 remaining in said special fund at the end of each fiscal year
19 is hereby appropriated to the agricultural land credit fund
20 established by section four hundred twenty-six point one
21 (426.1) of the Code as amended. There is hereby appropriated
22 as a revolving fund, from the general fund of the state, an
23 amount sufficient, as determined by the state comptroller, to
24 serve as a working balance in the property tax relief fund."

49 days from the date of contract or agreement thereof, only such
50 portion of the value of services thereof may be accounted for
51 the purpose of imposition of the tax imposed by this Act as has
52 actually been received in cash by the taxpayer during the
53 period for which the tax imposed by this Act is due and payable;
54 and provided further, that taxes paid on gross taxable services
55 represented by accounts found to be worthless and actually charged
56 off for income tax purposes may be credited upon a subsequent
57 payment of the tax herein provided, but if any such accounts
58 are thereafter collected by the taxpayer, a tax shall be paid
59 upon the amounts so collected.

60 (h) The words 'includes' and 'including', when used in a
61 definition or classification contained in this Act, shall not
62 be deemed to exclude other things otherwise within the meaning
63 of the term defined, or otherwise within the classification
64 specified.

65 Sec. 7. Services rendered or performed as herein defined
66 to a person engaged in rendering services taxable under this
67 Act or in selling tangible personal property subject to retail
68 sales tax, provided that the cost of such services, directly
69 or indirectly, enter into and become a part of the charges to
70 the ultimate user or purchaser, shall be exempt; provided that,
71 should a dispute arise between the user and the person rendering
72 or performing services as to whether or not any such service
73 rendered is exempt from taxation hereunder, nevertheless, the
74 person performing said services shall collect and the user shall
75 pay such tax, and the person performing said service shall
76 thereupon issue to the user a receipt, or certificate, on
77 forms prescribed by the state tax commission, showing the
78 names of the person performing said services and the user,
79 the items purchased, the date, price, amount of tax paid, and
80 a brief statement of the claim of exemption.

81 Sec. 8. It shall be unlawful for any person to engage in
82 the business of selling, rendering or performing services
83 subject to taxation under this Act, after the effective date
84 of this Act, without first having obtained a permit under the
85 provisions of section four hundred twenty-two point fifty-
86 three (422.53), Code 1954, of the sales tax law. All provisions
87 relating to the issuance of licenses, as included in section
88 four hundred twenty-two point fifty-three (422.53), Code 1954,
89 shall apply to permits involving the sale, rendering or use of
90 services. No person already holding a permit under the provisions
91 of section four hundred twenty-two point fifty-three (422.53),
92 Code 1954, shall be required to obtain an additional permit,
93 but shall report the tax upon services provided in this Act
94 together with retail sales which are reported for taxation.

95 Sec. 9. There is hereby levied and imposed upon the services
96 specified in this Act and measured by the amounts paid therefor
97 a tax in the amount of two (2) per cent which shall be collected
98 by the state tax commission. The proceeds derived from the
99 collection of the tax hereby imposed shall become a part of the

Sen ~~HOUSE FILE~~ 460
Senate

1 Amend ~~House~~ File 460 as follows:

2 Amend ~~House~~ File 460 by adding thereto the following new
3 sections:

4 1. Section four hundred twenty-two point forty-two (422.42),
5 subsection three (3), Code 1954, is hereby amended by striking
6 following the word "limestone" in line eight (8) thereof the
7 following: ", or electricity or steam when purchased and used in
8 the processing of tangible personal property intended to be sold
9 ultimately at retail." and inserting in lieu thereof a period.

10 Further amend said subsection by striking following the word
11 "retail" in line eighteen (18) thereof the following: ", or shall
12 be consumed as fuel in creating heat, power, or steam for processing
13 or for generating electric current." and inserting in lieu thereof
14 a period.

15 2. Section four hundred twenty-three point one (423.1),
16 subsection one (1), Code 1954, is hereby amended by striking
17 following the word "retail" in line fourteen (14) thereof the
18 following: ", (b) fuel which is consumed in creating power, heat,
19 or steam for processing or for generating electric current, (c)
20 industrial materials and equipment, which are not readily obtainable
21 in Iowa, and which are directly used in the actual fabricating,
22 compounding, manufacturing, or servicing of tangible personal
23 property intended to be sold ultimately at retail." and inserting

SENATE FILE 460

1 Senate File 460 is hereby amended by striking section five
2 (5) and inserting in lieu thereof the following
3 "Sec. 5 Chapter four hundred twenty-two (422), Code 1954,
4 is hereby amended by inserting after section four hundred
5 twenty-two point fifty-nine (422.59), Code 1954, the following
6 words 'Division V. Sales of services', and by renumbering the
7 words 'Division V. Administration', appearing before section
8 four hundred twenty-two point sixty (422.60), Code 1954, by
9 inserting for the numeral 'V' the numeral 'VI'.

10 Sec. 6. Definitions. (a) The term 'person' includes any
11 individual, firm, co-partnership, joint venture, association,
12 corporation, estate, trust, business trust, receiver, syndicate
13 or any other group or combination acting as a unit in the
14 plural as well as the singular number.

15 (b) The term 'services rendered or performed' shall mean
16 all acts or services rendered, furnished or performed for
17 a valuable consideration by any person engaged in any business
18 or occupation hereinafter designated and defined, when said
19 act or service is rendered, furnished or performed for the
20 ultimate user thereof. The term 'user' shall mean the person
21 for whom or for whose benefit services are rendered or performed.

22 (c) The term 'business' shall include all activities
23 engaged in or caused to be engaged in with the object of gain,
24 benefit or advantage, direct or indirect.

25 (d) The term 'taxpayer' shall mean any person obligated
26 to account to the state tax commission for taxes collected or
27 to be collected or due the state under the terms of this Act.

28 (e) The term 'tax' means either the tax payable by the
29 person procuring or for whose benefit a service is rendered
30 or performed subject to tax, or the aggregate amount of taxes
31 due from the person rendering, performing or furnishing services
32 during the period for which he is required to report his collec-
33 tions, as the context may require.

34 (f) The term 'value of services' means the price to the
35 user, exclusive of any direct tax imposed by the federal
36 government or by this Act.

37 (g) The term 'gross taxable services' shall mean the total
38 amount received in money, credits, property or other consideration
39 valued in money from services rendered or performed within this
40 state as herein defined, and embraced within the provisions of
41 this Act; provided, that the taxpayer may take credit in his
42 report of gross taxable services for an amount equal to the value
43 of services rendered or performed when the full value of services
44 thereof is refunded either in cash or by credit; and provided
45 further, that on all services rendered or performed, valued in
46 money, when such services are made under conditional contract,
47 or un-
48 der other contract or agreement where the payment of the principal
sum thereunder be extended over a period longer than sixty (60)

SENATE FILE 460

X
1 Amend Senate File 460, section eight (8) by striking
2 the following sentence beginning in line 17: "Secondly, any
3 sum remaining in said special fund at the end of each fiscal
4 year is hereby appropriated to the agricultural land credit
5 fund established by section four hundred twenty-six point
6 one (426.1) of the Code as amended."

Filed and withdrawn
April 24, 1957.

PETRUCELLI of Scott.

SENATE FILE 460

1 Amend Senate File 460 by inserting after the figures "1957"
2 in line 4 of section 5 the following: "and ending June 30, 1958".
3 Further amend Senate File 460 by striking the second comma
4 (,) in line 5 of section 7 and inserting in lieu thereof the
5 following: "and before July 1, 1958,".

Filed and lost
April 10, 1957.

By MILLER and DYKHOUSE *lost*

100 general funds of the state of Iowa and shall be collected by the
101 state tax commission in the same manner as are taxes upon retail
102 sales or use taxes.

103 (1) This tax shall be imposed upon the value of services
104 rendered or performed by any person engaging or continuing in
105 any of the following businesses: cleaning, dyeing, pressing,
106 alteration and repair shops; laundries, except hand laundries in
107 a private home; rug-cleaning and repair shops; shoe repair shops;
108 shoe shining parlors; hat cleaning; duplicating, addressing,
109 mailing, and mailing-list service; linen, coat, apron and overall
110 supply service; sign painting shops; window-cleaning service;
111 automobile general repair garages; automobile paint shops;
112 automobile greasing or washing shops; automobile radiator shops;
113 automobile rental service; automobile rent storage garages;
114 automobile top and body repair shops; battery and ignition repair
115 shops; tire repair shops; parking lots; electrical appliance
116 repair shops; harness and leather goods repair shops; locksmith
117 and gunsmith shops, radio and television repair shops; plumbing
118 shops; upholstering and furniture repair shops; watch, clock and
119 jewelry repair shops; cabinet making and woodworking shops;
120 machine shops; implement repair shops; mattress renovating and
121 repair shops; commercial lithographing plants, commercial
122 engraving plants, commercial linotyping plants, commercial artists;
123 saw mills and planing mills, tinsmith shops; welding shops;
124 advertising service agencies.

125 (2) This tax shall be imposed upon the furnishing of lodging
126 and related services to transients in or by a hotel, rooming
127 house, tourist court, motel, or trailer camp, and the granting
128 of any similar license to use real property, as distinguished
129 from the renting or leasing of real property, and it shall be
130 presumed that the occupancy of real property, for a continuous
131 period of one (1) month or more constitutes a rental or lease of
132 real property and not a mere license to use or enjoy the same.

133 (3) This tax shall be imposed upon all sales of newspaper
134 and magazine advertising and advertising over radio and television
135 stations. In the case of a newspaper or magazine, the amount of
136 the tax shall be determined through an allocation to the state
137 of Iowa of the receipts from such advertising based upon the
138 circulation of the publication within the state of Iowa and
139 without the state of Iowa. The tax shall also be imposed upon
140 all receipts from advertising displayed upon billboards or
141 posted or distributed within the state. There shall be deducted
142 from the gross receipts of such advertising any amounts paid by
143 the publication as a commission to advertising agencies through
144 which such business may be received.

145 Sec. 10. Persons rendering, performing or selling services
146 shall, as far as practicable, add the tax imposed under this
147 Act, or the average equivalent thereof, to the value of services
148 or charges and when added such tax shall constitute a part of
149 such value of service or charge, shall be a debt from the user
150 to the person rendering or performing service until paid, and

SENATE FILE 460

1 Amend Senate File 460 by striking section 8 thereof.

Filed and lost
April 10, 1957.

By DAILEY. *lost*

SENATE FILE 460

- 1 Amend the Stevens amendment to Senate File 460,
- 2 line fourteen (14), by striking after the colon (:)
- 3 the word "Ten" and inserting in lieu thereof the words
- 4 "Effective January 1, 1958, ten".

Filed and lost
April 25, 1957.

LUCKEN of Plymouth.

SENATE FILE 460

- 1 Amend Stevens amendment to Senate File 460 by striking
- 2 sections one (1) and two (2) thereof.

Filed
April 24, 1957.

Lost 4-25
BROWN of Keokuk.

151 shall be recoverable at law in the same manner as other debts.
152 (1) To provide uniform methods of adding the tax, or the
153 average equivalent thereof, to the value of service, it shall
154 be the duty of the state tax commission to formulate and
155 promulgate after hearing appropriate rules and regulations to
156 effectuate the purposes of this section.

157 (2) It shall be unlawful for any person rendering or
158 performing service to advertise or hold out or state to the
159 public or to any user, directly or indirectly that the tax
160 or any part thereof imposed by this Act will be assumed or
161 absorbed by him or that it will not be added to the value of
162 service rendered, or if added that it or any part thereof will
163 be refunded.

164 Sec 11. All services rendered or performed which the
165 state of Iowa is prohibited from taxing under the constitution
166 or laws of the United States shall be exempt from taxation under
167 this Act.

168 Sec. 12. It is the intention of this law that no service
169 tax shall be imposed upon materials or supplies involved in
170 the performance of the service which is subject to taxation
171 under the sales or use tax laws of this state. The state tax
172 commission shall provide uniform forms for the returns required
173 and such forms shall also provide for the return of any sales
174 or use tax for which the permit holder is liable. No tax shall
175 be imposed by this Act upon any services now subject to taxation
176 under the sales or use tax laws and all exemptions from taxation
177 under the sales and use tax laws shall apply to sales of services
178 taxable under this Act. The tax imposed by this Act shall be in
179 addition to all licenses and taxes imposed by law, except as
180 herein otherwise provided.

181 Sec. 13. There shall be exempt from taxation under the
182 provisions of this Act all services rendered to the state of
183 Iowa or any of the tax-levying political subdivisions thereof.

184 Sec. 14. The provisions of Divisions IV and V of Chapter
185 four hundred twenty-two (422), Code 1954, relating to retail
186 sales tax and the administration thereof shall apply to the
187 collection of service taxes under this law insofar as is
188 practicable.

189 Sec 15. The provisions of chapter four hundred twenty-
190 three (423), Code 1954, shall apply to the collection and
191 administration of the service tax law provided insofar as
192 they are applicable.

193 Sec. 16. Section four hundred twenty-three point two
194 (423.2), Code 1954, is hereby amended by adding to said section
195 four hundred twenty-three point two (423.2), Code 1954, the
196 following:

197 An excise tax is hereby imposed on the use in this state
198 of personal services purchased or rendered on and after the
199 effective date of this Act at the rate of two (2) per cent of
200 the purchase price of such services. Such tax is hereby
201 imposed upon every person using such services within the state

SENATE FILE 460

1 Amend Senate File 460 by striking sections five (5), six
2 (6), seven (7) and eight (8) and inserting in lieu thereof the
3 following new sections:
4 1. Section seven (7), chapter forty-five (45), Acts of
5 the Fifty-sixth General Assembly, is hereby amended by striking
6 in line five (5) the words, 'June thirtieth' and inserting in
7 lieu thereof the words, 'December thirty-first'.
8 2. Section nine (9), chapter forty-five (45), Acts of the
9 Fifty-sixth General Assembly, is hereby amended by striking in
10 line five (5) the words, 'June thirtieth' and inserting in
11 lieu thereof the words, 'December thirty-first'.
12 3. Section four hundred twenty-two point sixty-two (422.62),
13 Code, 1954, as amended, is hereby amended by striking from lines
14 six (6), seven (7), eight (8) and nine (9) the following: "Ten
15 percent of the net receipts collected under division IV of this
16 chapter shall be credited by the treasurer of state to the
17 road use tax fund", and striking from line ten (10) of said
18 section the following: 'remainder of the proceeds of the'.
19 4. Section three hundred twelve point one (312.1), Code
20 1954, is hereby amended by striking subsection five (5) thereof
21 providing as follows: "5. Revenues derived from the sales
22 tax, under chapter 422 in an amount equal to ten percent of the
23 net revenues collected under division IV of said chapter."

Handwritten notes:
use
insists
4-26
Senate
refers
4-26

Filed and adopted in the committee of the whole
April 24, 1957.

STEVENS of Greenc
JOHANNES of Osceola.

SENATE FILE 460

- 1 Amend Senate File 460 as follows:
2 1. Amend the title by striking all after the word "Act" and
3 inserting in lieu thereof the following: "to provide tax relief
4 by amendments to the income, sales and use tax laws and providing
5 for allocations of revenues arising from said taxes."
6 2. Amend Senate File 460 by adding the
7 following new section following section three (3):
8 "Section four hundred twenty-two point forty-two (422.42),
9 subsection three (3), Code 1954, is further amended by striking
10 the period (.) after the word, 'retail' in line eleven (11) and
11 inserting in lieu thereof the following:
12 ' , or goods, wares, or merchandise when purchased by religious
13 institutions to be used solely in places of worship or goods, wares
14 or merchandise when purchased and used by non-profit educational
15 institutions solely for their appropriate object. For this purpose
16 a non-profit educational institution is defined as a non-profit
17 organization offering a college level academic curriculum and
18 granting college credits transferable to and acceptable by the
19 three (3) state institutions for higher education in Iowa.'"
20 3. Further amend Senate File 460 by renumbering the remaining
21 sections

Filed
April 23, 1957.

DIETZ of Scott.
NOVAK of Linn.
SERSLAND of Winneshiek.
CHALUPA of Jefferson.
PETRUCCELLI of Scott.

Withdrawn
4-25

AMENDMENT TO SENATE FILE 460

- 1 Amend Senate File 460, section three (3), by adding thereto
2 the following:
3 "Section four hundred twenty-two point five (422.5), Code
4 1954, is further amended by adding thereto the following subsection.
5 "6. On the sixth thousand dollars of taxable income, or any
6 part thereof, four and eight-tenths percent, and on all taxable
7 income in excess of six thousand dollars (\$6000.00), four and
8 eight-tenths percent."

Filed
April 23, 1957.

FREED of Webster.
OWEN of Appanoose.

Withdrawn
4-25

SENATE FILE 460

- 1 Senate File 460 is hereby amended by striking sections
2 five (5) and seven (7) and by renumbering the sections.

Filed
April 11, 1957.

WHITNEY of Cherokee.

Withdrawn
4-25

SENATE FILE 460

- 1 Senate File 460 is hereby amended by striking sections
2 5 and 7, and by renumbering the sections.

Filed
April 8, 1957.

By O'MALLEY.

202 until such tax has been paid directly to the person rendering
203 such services or to the tax commission as hereinafter provided.
204 The items subject to use tax on services shall be the same as
205 those subject to a sales tax upon services as enumerated in this
206 Act, but the use tax shall not apply except in such cases where
207 the services rendered are by nonresidents who do not maintain
208 a permanent place of business within the state and are not
209 subject to a state sales tax upon services."
210 Further amend Senate File 460 by striking section seven (7)
211 and renumbering the remaining sections.

Filed
April 23, 1957

*Withdrawn
4-20-57*

GOODE of Davis.
PAUL of Poweshiek.
CARSON of Buchanan.
HANSON of Lyon.
HALLING of Adair.
VERMEER of Marion.
SERSLAND of Winneshiek.
WHITNEY of Cherokee.
MILROY of Benton.
DARRINGTON of Harrison.
MCNEAL of Wright.
SANTEE of Black Hawk.
JOHNS of Tama

49 the state bears to his total working time.

50 'e. Sales shall include:

51 (1) All sales of tangible personal property delivered to pur-
52 chasers within the state if shipped or delivered from an office,
53 store, warehouse, factory, or other place of storage located within
54 the state;

55 (2) All sales of tangible personal property delivered to pur-
56 chasers within the state even though shipped from a point outside
57 the state, if both of the following conditions are present: The
58 taxpayer is regularly engaged through its own employees or
59 agents in the solicitation or promotion of sales within the
60 state, and the sale is directly or indirectly the result of
61 the taxpayer's activities within the state in soliciting or
62 promoting sales;

63 (3) All sales of tangible personal property shipped from
64 an office, store, warehouse, factory, or other place of storage
65 within the state to purchasers in other states or countries, if
66 the sales are not directly or indirectly attributable to the
67 taxpayer's activities in such other states or countries in
68 soliciting or promoting sales.

69 In the application of the foregoing provision, a carrier
70 shall be considered the agent of the seller, regardless of the
71 f.o.b. point or other conditions of the sale."

72 3. Further amend Senate File 460 by adding the following
73 section:

74 "If any section, subsection, clause, sentence or phrase of
75 this Act is for any reason held to be invalid, such holding shall
76 not affect the validity of the remaining portions of the Act."

Filed and lost
April 10, 1957.

By MILLER.

SENATE FILE 460

1 Amend Senate File 460 by striking from lines 17
2 to 21, inclusive, of section 8 the sentence
3 beginning, "Secondly, any sum" and ending with "of the Code as
4 amended" and inserting in lieu thereof the following:
5 "Secondly, of any balance remaining in the property tax relief
6 fund at the end of each fiscal year, there is hereby appropriated
7 to the agricultural land credit fund, established by section four
8 hundred twenty-six point one (426.1) of the Code as amended, a sum
9 sufficient to pay in full the credit provided by chapter four
10 hundred twenty-six (426) of the Code. Thirdly, any remaining sum
11 in the special property tax relief fund at the end of each fiscal
12 year shall be used for capital improvements at institutions under
13 the state board of regents and is so appropriated."

Filed
April 9, 1957.

By PRENTIS.

SENATE FILE 460

1 Amend Senate File 460 by adding the following sections:
2 1 Section four hundred twenty-two point forty-eight (422.48),
3 Code 1954, is hereby amended by adding the following sentence at
4 the end thereof: "In no event shall the tax be added to or col-
5 lected on the first twenty-five (25) cents of any sale."
6 2. Section four hundred twenty-two point fifty-two (422.52).
7 Code 1954, is hereby amended by adding the following new sub-
8 section:
9 "When a return is filed and the taxes shown due thereon are
10 paid in full on or before the due date prescribed in section four
11 hundred twenty-two point fifty-one (422.51), the retailer shall
12 be allowed a credit or discount equal to three (3) percent of
13 the sales taxes shown due by such return. This credit or dis-
14 count shall be in consideration for prompt payment of the tax
15 and as remuneration for collecting the tax, keeping the records,
16 and filing the returns required by this chapter."

Filed
April 9, 1957.

By MILLER and SCHROEDER.

SENATE FILE 460

- 1 Amend Senate 460 by striking all of section six (6) and
- 2 inserting in lieu thereof the following:
- 3 Sec. 6 Section four hundred twenty two point sixty-
- 4 two (422.62), Code 1954, as amended, is hereby amended by
- 5 striking from lines six (6), seven (7), eight (8) and nine (9)
- 6 the following: "Ten percent of the net receipts collected
- 7 under division IV of this chapter shall be credited by the
- 8 treasurer of state to the road use tax fund.", and striking
- 9 from line ten (10) of said section the following: "remainder
- 10 of the proceeds of the".
- 11 Sec. 7. Section three hundred twelve point one (312.1),
- 12 Code 1954, is hereby amended by striking subsection five (5)
- 13 thereof providing as follows: "5. Revenues derived from the
- 14 sales tax, under chapter 422 in an amount equal to ten percent
- 15 of the net revenues collected under division IV of said
- 16 chapter."
- 17 Further amend Senate File 460 by renumbering the remaining
- 18 sections.

Filed
April 23, 1957.

REPERT of Polk.
NAUGHTON of Woodbury.

SENATE FILE 460
(Amendment to Stevens amendment)

- 1 Amend the Stevens amendment to House File 460, line fourteen
- 2 (14), by striking after the colon (:) the word "Ten" and inserting
- 3 in lieu thereof the words "Effective January 1, 1958, ten".

Offered and lost in the Committee of the Whole
April 24, 1957.

LUCKEN of Plymouth.

SENATE FILE 460

- 1 Amend the Stevens and Johannes amendment to Senate File 460
- 2 by striking lines twelve (12) through twenty-three (23).

Filed and lost
April 25, 1957.

VERMEER of Marion.
DARRINGTON of Harrison.

SENATE FILE 460

- 1 Amend Senate File 460 by adding thereto the following new
- 2 section:
- 3 "Section four hundred twenty-three point one (423.1),
- 4 subsection one (1), Code 1954, is hereby amended by striking
- 5 all of such subsection following the word, 'current' in line
- 6 sixteen (16) and inserting in lieu there a period (.)"

Filed and lost
April 25, 1957.

NELSON of Winnebago.

SENATE FILE 460

- 1 Amend the Stevens and Johannes amendment to Senate File
- 2 460 by striking lines twelve (12) through twenty-three (23),
- 3 and inserting in lieu thereof the following:
- 4 "3. Section four hundred twenty-two point sixty-two
- 5 (422.62), Code 1954 as amended is hereby amended by striking
- 6 from line six (6) the word "Ten" and inserting in lieu thereof
- 7 "Five".
- 8 Further amend said section by striking the words "road
- 9 use tax fund." in line nine (9) and inserting in lieu thereof
- 10 "county secondary road fund on an area basis."

Filed and lost
April 25, 1957.

GOODE of Davis.

SENATE FILE 460

- 1 Amend the House amendments to Senate File 460 by striking
- 2 sections 3 and 4.

Filed and lost
April 26, 1957.

By DYKHOUSE.

SENATE FILE 460

1 Amend Senate File 460 by adding the following section:
 2 "Sec. 9. Section four hundred twenty-two point forty-five
 3 (422.45), Code 1954, is hereby amended by adding the following
 4 subsection as 'Subsection seven (7)':
 5 7. There are exempted from the taxes imposed by this part
 6 the gross receipts from the sale of and storage, use, or other
 7 consumption in this state of food products for human consumption.
 8 'Food products' include cereals and cereal products, milk and
 9 milk products, oleomargarine, meat and meat products, fish and
 10 fish products, eggs and egg products, vegetables and vegetable
 11 products, fruit and fruit products, spices and salt, sugar and
 12 sugar products other than candy and confectionery, coffee and
 13 coffee substitutes, tea, cocoa and cocoa products other than
 14 candy and confectionery.
 15 'Food products' do not include spirituous, malt or vinous
 16 liquors, soft drinks, sodas, or beverages such as are ordinarily
 17 dispensed at bars and soda fountains or in connection therewith,
 18 medicines, tonics, and preparations in liquid, powdered, granular,
 19 tablet, capsule, lozenge, and pill form sold as dietary supplements
 20 or adjuncts
 21 'Food products' also do not include meals served on or off the
 22 premises of the retailer or drinks or foods furnished, prepared,
 23 or served for consumption at tables, chairs, or counters or from
 24 trays, glasses, dishes, or other tableware provided by the retailer.
 25 'Food products' include milk shakes, malted milks, and any
 26 other beverages composed at least in part of milk or a milk
 27 product and requiring the use of milk or a milk product in their
 28 preparation, which are purchased for consumption off the premises
 29 of the retailer."

Withdrawn 4-10

Filed
April 4, 1957.

By WALKER and VEST.

SENATE FILE 460

1 Amend Senate File 460 by adding the following sections:
 2 Chapter two hundred eight (208), Acts of the fifty-sixth
 3 general sassembly, is hereby amended by striking lines
 4 fourteen (14) through twenty-two (22) of section eight (8)
 5 and inserting in lieu thereof the following: "b. Add the
 6 amount of federal income, Federal Insurance Contribution Act,
 7 Federal Railroad Retirement Act, federal self-employment,
 8 and Iowa Public Employees' Retirement System taxes applicable
 9 to the tax year for which said taxable income is being com-
 10 puted; also any of such taxes paid during said tax years with
 11 respect to any prior tax year and for which a deduction for
 12 Iowa income tax purposes was not previously allowed or
 13 allowable under the method of accounting of the taxpayer."
 14 The foregoing section shall be effective for all tax years
 15 commencing after December 31, 1956.

Adopt 4-10

Filed
April 8, 1957.

By MILLER.

SENATE FILE 460

1 Amend Senate File 460 by adding at the end thereof the
 2 following new section:
 3 "This Act being deemed of immediate importance shall be
 4 in full force and effect from and after publication in the
 5 Creston News Advertiser, a newspaper published in Creston, Iowa
 6 and the Correctionville News, a newspaper published in
 7 Correctionville, Iowa.

Adopted 4-10

Filed
April 9, 1957.

By PRENTIS.

SENATE FILE 460

1 Amend the Miller, Butler amendment filed April 9, 1957
 2 to Senate File 460, line 6, by inserting after the word "medicine"
 3 the following: " osteopathy".

Filed and adopted
April 10, 1957.

By SCHROEDER.

Adopted

SENATE FILE 460

1 1. Amend Senate File 460 by adding the following section:
 2 "Amend section four hundred twenty-two point thirty-three
 3 (422.33), Code 1954, by striking the word 'two' in line six (6)
 4 and inserting in lieu thereof the following: 'two point five
 5 (2.5)'."
 6 2. Further amend Senate File 460 by adding the following
 7 section:
 8 "Section four hundred twenty-two point thirty-three (422.33),
 9 subsection one (1), Code 1954, is hereby amended by striking all
 10 after the word 'be' in line thirty-one (31) and inserting in
 11 lieu thereof the following: 'allocated to the state according
 12 to a three-factor formula of property, payroll, and sales, each
 13 of which shall be given equal weight.
 14 'c. The property factor shall include real property owned
 15 or rented by the taxpayer within the state; and tangible per-
 16 sonalty owned or rented which has remained predominantly within
 17 the state or which (being in relatively constant movement) is
 18 held by the taxpayer while domiciled in the state, except that,
 19 in the case of inventories, average inventory held during the
 20 taxable year shall be included.
 21 'd. Payroll shall include all wages, salaries, and other
 22 compensation, computed on the cash or accrual basis in accordance
 23 with the method of accounting used in computing net income, for
 24 services to the taxpayer, but does not include amounts which do
 25 not have in them the element of compensation for personal serv-
 26 ices actually rendered or to be rendered. The percentage of the
 27 taxpayer's payroll allocable to a state shall be determined by
 28 dividing the payroll of employees working entirely within the
 29 state or out of offices within the state during the taxable
 30 period by the total payroll during the taxable period; provided,
 31 however, that if a substantial part of a taxpayer's payroll was
 32 paid to employees attached to an office within the state who
 33 performed a substantial part of their services outside the
 34 state, or if a substantial part of a taxpayer's payroll was
 35 paid to employees attached to an office outside the state who
 36 performed a substantial part of their services within the state,
 37 the Commission shall, on its own initiative or on application
 38 of the taxpayer, determine the percentage by dividing the payroll
 39 for services performed within the state during the taxable period
 40 by the total payroll during the taxable period; and provided
 41 further that the payroll for the said services within the state
 42 shall be:
 43 (1) In the case of an employee whose compensation depended
 44 directly on the volume of business secured by him, the amount re-
 45 ceived by him for the volume of business attributable to his
 46 efforts in the state;
 47 (2) In the case of an employee compensated on a time basis,
 48 the proportion of the total compensation which his working time in

Cost Miller

SENATE FILE 460

1 Amend Senate File 460 by adding the following section:
 2 Section four hundred twenty-two point forty-five (422.45),
 3 Code 1954, is hereby amended by adding the following subsection:
 4 "The gross receipts from the sale of drugs, medicines, or
 5 other similar items prescribed for a patient by a person license
 6 to practice medicine or dentistry and dispensed by a licensed
 7 pharmacist."

Filed
 April 8, 1957.

By MILLER and BUTLER.

Cost 4-10

SENATE FILE 460

1 Amend the Walker and Vest amendment to Senate File 460
 2 filed April 4, 1957 by inserting after the word "liquors" in
 3 line 16 the following: "The sale of which is
 4 specifically hereby authorized when licensed to do so by
 5 cities and towns who shall have power to set license fees
 6 and issue licenses in such a number as to not exceed the
 7 Class B beer permits in force in said city or town."

Filed
 April 9, 1957.

By BURTON.

Walker 4-10