

Ways and Means: Dieleman, Chair; Pavich, Dunton, Junker, Harbor, Horn and Harvey.

MAR 16 1978

HOUSE FILE 2347

Ways and Means

By CLARK of Lee

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

A BILL FOR

1 An Act relating to the exemption of certain vehicles from
 2 the state use tax and making the Act retroactive.
 3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section four hundred twenty-three point four
2 (423.4), Code 1977, is amended by adding the following new
3 subsections:

4 NEW SUBSECTION. Vehicles, as defined in subsections four
5 (4), six (6), eight (8), nine (9) and ten (10) of section
6 three hundred twenty-one point one (321.1) of the Code, except
7 such vehicles subject to registration which are designed
8 primarily for carrying persons, when purchased for lease and
9 actually leased to a lessee for use outside the state of Iowa
10 and the subsequent sole use in Iowa is in interstate commerce
11 or interstate transportation.

12 NEW SUBSECTION. Tangible personal property which is
13 intended shall, by means of fabrication, compounding, or
14 manufacturing, become an integral part of vehicles, as defined
15 in subsections four (4), six (6), eight (8), nine (9) and
16 ten (10) of section three hundred twenty-one point one (321.1)
17 of the Code, manufactured for lease and actually leased to
18 a lessee for use outside the state of Iowa and the subsequent
19 sole use in Iowa is in interstate commerce or interstate
20 transportation. Vehicles subject to registration which are
21 designed primarily for carrying persons are excluded from
22 this subsection.

23 Sec. 2. This Act is retroactive to July 1, 1973.

24 Sec. 3. This Act, being deemed of immediate importance,
25 shall take effect and be in force from and after its publica-
26 tion in _____, a newspaper published in
27 _____, Iowa, and in _____, a
28 newspaper published in _____, Iowa.

29 EXPLANATION

30 These two new subsections to section 423.4 of the Code
31 are designed to provide an exemption for vehicles which are
32 purchased for lease outside the state of Iowa and for tangible
33 personal property that becomes an integral part of a vehicle
34 manufactured for lease outside the state of Iowa.

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