

MAR 21 1978

HOUSE FILE 2358

Ways and Means

By AVENSON

Passed House, Date _____ Passed Senate, Date _____

Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act relating to the imposition of a tax on sporting goods
2 and recreational vehicles.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

4
5

FISCAL NOTE
HOUSE FILE 2358
Requested by Representative Avenson
January 9, 1978

In compliance with a written request there is submitted a Fiscal Note for H.F. 2358 pursuant to Joint Rule 16: LSS 3020H, An Act relating to the imposition of a tax on sporting goods and recreational vehicles.

This proposal imposes a five percent excise tax upon the gross receipts from the sale of sporting goods and a like rate of tax on the use of recreational vehicles. The tax is in addition to any sales or use tax imposed. The funds derived from such tax shall be used to establish, maintain, improve and beautify public parks, preserves, state-owned bodies of water and for other purposes set out in Chapter 111 of the Code.

Complete data on the sales of sporting goods and recreational vehicles are not available. Partial information may be obtained from the Retail Sales and Use Tax Report, however, it is not possible to estimate the amount of sporting goods equipment that would be sold by department stores, nor the volume of sales of recreational vehicles made by motor vehicle dealers which are not classified as recreational vehicle dealers. Therefore, a reliable estimate of the increase in revenue which would occur cannot be completed.

Source: Iowa Department of Revenue

FILED GERRY D. RANKIN
MARCH 21, 1978 Legislative Fiscal Bureau

2358

1 Section 1. NEW SECTION. There is imposed an excise tax
2 of five percent upon the gross receipts from the sale of the
3 following sporting goods:

4 1. Fishing rods, poles, creels, reels, artificial lures,
5 baits and flies and parts or accessories of such articles.

6 2. Bows, arrows, quivers and any part or accessory, other
7 than a fishing reel, suitable for inclusion in or attachment
8 to a bow or arrow.

9 3. Pistols, revolvers, other firearms, and shells and
10 cartridges.

11 4. Athletic equipment, other than foot wear and items
12 of apparel, designed primarily for use in a generally
13 recognized sport.

14 5. Tents, sleeping bags, portable stoves, heaters,
15 lanterns, and other items, except foot wear and items of
16 apparel, designed primarily for use in camping.

17 All revenue arising under the operation of the provisions
18 of this section shall be credited to the public state parks
19 fund as created in section one hundred seven point seventeen
20 (107.17) of the Code.

21 The tax herein levied shall be in addition to any state
22 sales tax imposed under section four hundred twenty-two point
23 forty-three (422.43) of the Code. The provisions of sections
24 four hundred twenty-two point twenty-five (422.25), subsection
25 four (4), four hundred twenty-two point thirty (422.30), four
26 hundred twenty-two point forty-eight (422.48) through four
27 hundred twenty-two point fifty-eight (422.58), four hundred
28 twenty-two point sixty-seven (422.67), four hundred twenty-
29 two point sixty-eight (422.68), four hundred twenty-two point
30 sixty-nine (422.69), subsection one (1), and four hundred
31 twenty-two point seventy (422.70) through four hundred twenty-
32 two seventy-five (422.75) of the Code, consistent with the
33 provisions of this section, shall apply with respect to the
34 tax levied under this section, in the same manner and with
35 the same effect as if the excise tax was a sales tax within

1 the meaning of those statutes.

2 Sec. 2. NEW SECTION. There is imposed an excise tax on
3 the use of recreational vehicles purchased for use in this
4 state at the rate of five percent of the purchase price of
5 such vehicles. For purposes of this section "recreational
6 vehicle" means any vehicle as defined in section three hundred
7 twenty-one point one (321.1), subsection one (1) of the Code,
8 originally designed or converted for use as living quarters
9 or for human habitation, except a mobile home primarily used
10 in one place as a residence, or originally designed or
11 converted for use for cross country travel, any watercraft,
12 snowmobile or other motorized equipment to be used for travel
13 across water or snow.

14 All revenues arising under the operation of the provisions
15 of this section shall be credited to the public state parks
16 fund created in section one hundred seven point seventeen
17 (107.17) of the Code.

18 The tax levied in this section shall be in addition to
19 any state sales or use tax imposed under section four hundred
20 twenty-two point forty-three (422.43) or four hundred twenty-
21 three point two (423.2) of the Code. The provisions of
22 sections four hundred twenty-two point twenty-five (422.25),
23 subsection four (4), four hundred twenty-three point five
24 (423.5), four hundred twenty-three point six (423.6),
25 subsections one (1), two (2), and three (3), four hundred
26 twenty-three point seven (423.7), four hundred twenty-three
27 point nine (423.9) through four hundred twenty-three point
28 twenty-three (423.23), four hundred twenty-three point twenty-
29 five (423.25) and four hundred twenty-three point twenty-six
30 (423.26) of the Code, consistent with the provisions of this
31 section, shall apply with respect to the tax levied under
32 this section in the same manner and with the same effect as
33 if the excise tax on the use of recreational vehicles was
34 a use tax within the meaning of those sections.

35 Sec. 3. Section one hundred seven point seventeen (107.17),

1 Code 1977, is amended to read as follows:

2 107.17 FUNDS. The financial resources of said commission
3 shall consist of ~~three~~ four funds:

- 4 1. A state fish and game protection fund,
- 5 2. A state conservation fund, ~~and~~
- 6 3. An administration fund, ~~and~~
- 7 4. a public state parks fund.

8 The state fish and game protection fund, except as other-
9 wise provided, shall consist of all moneys accruing from
10 license fees and all other sources of revenue arising under
11 the division of fish and game.

12 The conservation fund, except as otherwise provided, shall
13 consist of all other funds accruing to the conservation commis-
14 sion.

15 The administration fund shall consist of an equitable por-
16 tion of the gross amount of the two aforesaid funds, to be
17 determined by the commission, sufficient to pay the expense
18 of administration entailed by this chapter.

19 The public state parks fund shall consist of all moneys
20 credited to such fund under sections one (1) and two (2) of
21 this Act and any other moneys credited to it by law or appro-
22 riated to it by the general assembly.

23 All receipts and refunds and reimbursements related to
24 activities funded by the administration fund are appropriated
25 to the administration fund. All refunds and reimbursements
26 relating to activities of the state fish and game protection
27 fund shall be credited to the state fish and game protection
28 fund.

29 Sec. 4. Section one hundred seven point nineteen (107.19),
30 Code 1977, is amended by adding after unnumbered paragraph
31 four (4) the following new unnumbered paragraph:

32 NEW UNNUMBERED PARAGRAPH. All funds credited to the public
33 state parks fund shall be expended solely in carrying out
34 the provisions of chapter one hundred eleven (111) of the
35 Code. These funds shall be in addition to those funds

1 available for such purposes in the state conservation fund,
2 as a result of any appropriation made by the general assembly
3 or from any other source. Expenditures from the public state
4 parks fund shall be only on authorization by the general
5 assembly.

6 Sec. 5. Section one hundred seven point nineteen (107.19),
7 unnumbered paragraph six (6), Code 1977, is amended to read
8 as follows:

9 All expenditures under this ~~Act~~ section shall be subject
10 to approval by the state comptroller.

11 Sec. 6. Section one hundred eleven point seven (111.7),
12 Code 1977, is amended to read as follows:

13 111.7 EMINENT DOMAIN. The executive council may, upon
14 the recommendation of the commission, purchase or condemn
15 lands for public parks. No contract for the purchase of such
16 public parks shall be made to an amount in excess of the
17 unobligated funds in the public state parks fund plus any
18 funds appropriated therefor by the general assembly.

19 Sec. 7. Section one hundred eleven point thirty-one
20 (111.31), Code 1977, is amended to read as follows:

21 111.31 SALE OF ISLANDS. No islands in any of the meandered
22 streams and lakes of this state or in any of the waters
23 bordering upon this state shall hereafter be sold, except
24 with the majority vote of the executive council upon the
25 majority recommendation of the commission, and in the event
26 any of such islands are sold as herein provided the proceeds
27 thereof shall become a part of the ~~funds-to-be-expended-under~~
28 ~~the-terms-and-provisions-of-this-chapter~~ public state parks
29 fund.

30 Sec. 8. Section one hundred eleven point thirty-two
31 (111.32), unnumbered paragraph one (1), Code 1977, is amended
32 to read as follows:

33 The executive council may, upon a majority recommendation
34 of the commission, sell or exchange such parts of public lands
35 under the jurisdiction of the commission as in its judgment

1 may be undesirable for conservation purposes, excepting state-
2 owned meandered lands already surveyed and platted at state
3 expense as a conservation plan and project tentatively adopted
4 and now in the process of rehabilitation and development
5 authorized by a special legislative Act. Such sale or exchange
6 shall be made upon such terms, conditions or considerations
7 as the commission may recommend and that may be approved by
8 the executive council, whereupon the secretary of state shall
9 issue a patent therefor in the manner provided by law in other
10 cases. The proceeds of any such sale or exchange shall become
11 a part of the ~~funds-to-be-expended-under-the-provisions-of~~
12 this-chapter public state parks fund.

13 Sec. 9. This Act is effective January 1, 1979.

14 EXPLANATION

15 This bill imposes a five percent excise tax upon the gross
16 receipts from the sale of sporting goods and a like rate of
17 tax on the use of recreational vehicles. The tax is in
18 addition to any sales or use tax imposed. The funds derived
19 from such tax shall be used to establish, maintain, improve
20 and beautify public parks, preserves, state-owned bodies of
21 water and for other purposes set out in chapter 111 of the
22 Code.

23
HOUSE FILE 2358

H-6114

- 1 Amend House File 2358 as follows:
- 2 1. Page 2, line 15, by inserting after the word "to"
- 3 the words "the state fish and game protection fund and".

H-6114 FILED
APRIL 18, 1978

BY AVENSON of Fayette

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LSB 3020H
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