

MAR 28 1978

Ways and Means

HOUSE FILE 2371

By DIELEMAN

Passed House, Date _____ Passed Senate, Date _____

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

Approved _____

A BILL FOR

1 An Act relating to the definition of casual sales for sales
2 tax purposes.

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

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1 Section 1. Section four hundred twenty-two point forty-
2 two (422.42), Code 1977, is amended by striking subsection
3 twelve (12) and inserting in lieu thereof the following:

4 12. "Casual sales" means:

5 a. Sales of tangible personal property by the owner of
6 a nonrecurring nature, if the seller, at the time of the sale,
7 is not engaged for profit in the business of selling tangible
8 personal property or services taxes under section four hundred
9 twenty-two point forty-three (422.43) of the Code.

10 b. The sale of all or substantially all of the tangible
11 personal property held or used by a retailer in the course
12 of the retailer's trade or business for which the retailer
13 is required to hold a sales tax permit when the retailer sells
14 or otherwise transfers the trade or business to another person
15 who shall engage in a similar trade or business.

16 Sec. 2. This Act is effective January 1, 1979.

17 EXPLANATION

18 The bill provides that when a retailer sells his or her
19 trade or business, the tangible personal property sold or
20 otherwise transferred to the person purchasing the trade or
21 business is deemed to be a casual sale and therefore exempt
22 from the sales tax.

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