

FILED APR 6 1978

SENATE FILE 2231

By COMMITTEE ON WAYS AND MEANS

Passed Senate, Date 4-20-78 (p. 949) Passed House, Date _____

Vote: Ayes 38 Nays 2 Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act changing the exemptions for the state sales tax in
 2 section four hundred twenty-two point forty-five (422.45),
 3 subsections five (5) and seven (7), of the Code by
 4 eliminating the requirement that funds be derived from
 5 appropriations or allotments of funds raised by the
 6 levying and collection of taxes and clarifying the
 7 exemption for municipally-owned solid waste facilities
 8 which sell processed waste as fuel to municipally-owned
 9 public utilities.

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

11
 12
 13
 14
 15
 16
 17
 18
 19
 20
 21
 22
 23
 24
 25

1 Section 1. Section four hundred twenty-two point forty-
2 five (422.45), subsection five (5) and subsection seven (7),
3 unnumbered paragraph one (1), Code 1977 Supplement, are amended
4 to read as follows:

5 5. The gross receipts or from services rendered, furnished,
6 or performed and of all sales of goods, wares or merchandise
7 used for public purposes to any tax-certifying or tax-levying
8 body of the state of Iowa or governmental subdivision thereof,
9 including the state board of regents, state department of
10 social services, state department of transportation, any
11 municipally-owned solid waste facility which sells all or
12 part of its processed waste as fuel to a municipally-owned
13 public utility and all divisions, boards, commissions, agencies
14 or instrumentalities of state, federal, county or municipal
15 government ~~which derive disburseable funds from appropriations~~
16 ~~or allotments of funds raised by the levying and collection~~
17 ~~of taxes,~~ which have no earnings going to the benefit of an
18 equity investor or stockholder except sales of goods, wares
19 or merchandise or from services rendered, furnished, or
20 performed and used by or in connection with the operation
21 of any municipally-owned public utility engaged in selling
22 gas, electricity or heat to the general public.

23 The exemption provided by this subsection shall also apply
24 to all such sales of goods, wares or merchandise or from
25 services rendered, furnished, or performed and subject to
26 use tax under the provisions of chapter 423.

27 7. Any private nonprofit educational institution in this
28 state or any tax-certifying or tax-levying body of the state
29 of Iowa or governmental subdivision thereof, including the
30 state board of regents, state department of social services,
31 state department of transportation, any municipally-owned
32 solid waste facility which sells all or part of its processed
33 waste as fuel to a municipally-owned public utility and all
34 divisions, boards, commissions, agencies or instrumentalities
35 of state, federal, county or municipal government ~~which derive~~

1 ~~disbursable-funds-from-appropriations-or-allotments-of-funds~~
2 ~~raised-by-the-levying-and-collection-of-taxes~~ which have no
3 earnings going to the benefit of an equity investor or
4 stockholder may make application to the department for the
5 refund of any sales or use tax upon the gross receipts of
6 all sales of goods, wares or merchandise or from services
7 rendered, furnished, or performed to any contractor, used
8 in the fulfillment of any written contract with the state
9 of Iowa or any political subdivision thereof, or any private
10 nonprofit educational institution in this state which property
11 becomes an integral part of the project under contract and
12 at the completion thereof becomes public property, or is
13 devoted to educational uses as specified in this subsection
14 except goods, wares or merchandise or services rendered,
15 furnished, or performed used in the performance of any contract
16 in connection with the operation of any municipal utility
17 engaged in selling gas, electricity, or heat to the general
18 public; and excepting such goods, wares and merchandise used
19 in the performance of any contract for a "project" under
20 chapter 419 as defined therein other than goods, wares or
21 merchandise used in the performance of any contract for any
22 "project" under said chapter 419 for which a bond issue was
23 or will have been approved by a municipality prior to July
24 1, 1968.

25

EXPLANATION

26 This bill amends the sales, service and use tax exemption
27 and refund of the state of Iowa and all divisions, boards,
28 commissions, agencies and instrumentalities of the state,
29 federal, county or municipal governments. The bill eliminates
30 the requirement that the divisions, boards, commissions,
31 agencies and instrumentalities derive disbursable funds from
32 appropriations or allotments of funds raised by the levying
33 and collection of taxes and exempts municipally-owned solid
34 waste facilities which sell part of the processed waste as
35 fuel to a municipally-owned public utility.

LSB 4177S

mg/sd/14