

Kepp & Hanson 1/19

SENATE FILE 99

Ways and Means  
Small, Chair  
Rodgers  
Hester

SENATE FILE 99

BY WELLS  
(Chapman)

JAN 18 1983

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_

Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_

Approved \_\_\_\_\_

## A BILL FOR

1 An Act relating to the refund of state sales, services, and  
2 use tax paid by contractors upon goods, wares, or merchandise  
3 or from services rendered, furnished, or performed to a  
4 contractor used in the performance of a contract for the  
5 state, a political subdivision, or an instrumentality of  
6 the state or a political subdivision, and making the bill  
7 retroactive.

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

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1 Section 1. Section 422.45, subsection 7, unnumbered  
2 paragraph 1, Code 1983, is amended to read as follows:  
3 Any A private nonprofit educational institution in this  
4 state or ~~any~~ a tax-certifying or tax-levying body ~~of-the-state~~  
5 ~~of-Iowa~~ or governmental subdivision ~~thereof~~ of the state,  
6 including the state board of regents, state department of  
7 social services, state department of transportation, any a  
8 municipally owned solid waste facility which sells all or  
9 part of its processed waste as fuel to a municipally owned  
10 public utility, and all divisions, boards, commissions,  
11 agencies or instrumentalities of state, federal, county or  
12 municipal government which do not have ~~no~~ earnings going to  
13 the benefit of an equity investor or stockholder may make  
14 application to the department for the refund of ~~any the~~ sales,  
15 services, or use tax upon the gross receipts of all sales  
16 of goods, wares or merchandise, or from services rendered,  
17 furnished, or performed, to any a contractor, used in the  
18 fulfillment of any a written contract with the state of Iowa,  
19 any political subdivision ~~thereof~~ of the state, or any a  
20 division, board, commission, agency or instrumentality ~~thereof~~  
21 of the state or a political subdivision, or any a private  
22 nonprofit educational institution in this state ~~which,~~ if  
23 the property becomes an integral part of the project under  
24 contract and at the completion thereof of the project becomes  
25 public property, or is devoted to educational uses as-specified  
26 ~~in-this-subsection;~~ except goods, wares or merchandise or  
27 services rendered, furnished, or performed used in the  
28 performance of any contract in connection with the operation  
29 of any municipal utility engaged in selling gas, electricity,  
30 or heat to the general public; and ~~excepting-such~~ except  
31 goods, wares, and merchandise used in the performance of any  
32 a contract for a "project" under chapter 419 as defined therein  
33 in that chapter other than goods, wares or merchandise used  
34 in the performance of any a contract for any a "project" under  
35 said chapter 419 for which a bond issue was or will have been

1 approved by a municipality prior to July 1, 1968, or for which  
2 the goods, wares, or merchandise becomes an integral part  
3 of the project under contract and at the completion of the  
4 project becomes public property or is devoted to educational  
5 uses.

6 Sec. 2. This Act is retroactive to January 1, 1983.

7 EXPLANATION

8 The bill provides that a private nonprofit educational  
9 institution or a tax-certifying or tax-levying body of the  
10 state or an instrumentality of it may receive a refund of  
11 sales, services, and use taxes paid by a contractor for the  
12 purchase of goods used by the contractor in completing a  
13 project for which industrial revenue bonds were issued under  
14 chapter 419 provided that the goods become an integral part  
15 of the project and the project when completed becomes public  
16 property or is devoted to educational uses. Present law only  
17 allows the refund of the taxes paid on the purchase of goods  
18 becoming an integral part of a project under chapter 419 if  
19 the bonds were issued or approved for issue prior to July  
20 1, 1968. The bill is retroactive to January 1, 1983.

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