

Senate File 477 - Introduced

SENATE FILE 477

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SF 409)

(SUCCESSOR TO SF 255)

A BILL FOR

1 An Act extending the period of time for collecting sales tax
2 for deposit in the secure an advanced vision for education
3 fund.

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

1 Section 1. Section 423.2, subsection 11, paragraph b,
2 subparagraph (3), Code 2015, is amended to read as follows:

3 (3) Transfer one-sixth of the remaining revenues to the
4 secure an advanced vision for education fund created in section
5 423F.2. This subparagraph (3) is repealed ~~December 31, 2029~~
6 effective January 1, 2050.

7 Sec. 2. Section 423.2, subsection 13, Code 2015, is amended
8 to read as follows:

9 13. The sales tax rate of six percent is immediately reduced
10 to five percent following repeal of chapter 423F, section
11 423.3, subsection 11, paragraph "b", and section 423.43,
12 subsection 1, paragraph "b", on January 1, 2030 2050.

13 Sec. 3. Section 423.5, subsection 5, Code 2015, is amended
14 to read as follows:

15 5. The use tax rate of six percent is immediately reduced
16 to five percent following the repeal of chapter 423F, section
17 423.3, subsection 11, paragraph "b", and section 423.43,
18 subsection 1, paragraph "b", on January 1, 2030 2050.

19 Sec. 4. Section 423.43, subsection 1, paragraph b, Code
20 2015, is amended to read as follows:

21 b. Subsequent to the deposit into the general fund of
22 the state and after the transfer of such revenues collected
23 under chapter 423B, the department shall transfer one-sixth of
24 such remaining revenues to the secure an advanced vision for
25 education fund created in section 423F.2. This paragraph is
26 repealed ~~December 31, 2029~~ effective January 1, 2050.

27 Sec. 5. Section 423F.6, Code 2015, is amended to read as
28 follows:

29 **423F.6 Repeal.**

30 This chapter is repealed ~~December 31, 2029~~ effective January
31 1, 2050.

32 EXPLANATION

33 The inclusion of this explanation does not constitute agreement with
34 the explanation's substance by the members of the general assembly.

35 Code section 423.2 imposes a state tax of 6 percent upon

1 the sales price of all sales of tangible personal property,
2 consisting of goods, wares, merchandise, and other items
3 designated by statute, sold at retail in the state to
4 consumers, except as otherwise provided by Code chapter 423.
5 Generally, by operation of law, a sale subject to the sales
6 tax is also subject to the use tax. Following the transfer
7 of amounts required for the natural resources and outdoor
8 recreation trust fund, one-sixth of the remaining state sales
9 tax revenue from the 6 percent tax is transferred to the
10 secure an advanced vision for education (SAVE) fund created in
11 Code section 423F.2. Moneys in the SAVE fund are allocated
12 to school districts on a per pupil basis to be used for
13 infrastructure and property tax reduction purposes specified
14 in Code chapter 423F. Under current law, the sales tax rate of
15 6 percent is reduced to 5 percent on January 1, 2030, and Code
16 chapter 423F, along with other corresponding provisions, is
17 repealed December 31, 2029.

18 This bill extends the 6 percent sales tax rate, the
19 allocation to the SAVE fund, and the statutory repeal of Code
20 chapter 423F until January 1, 2050.