

House Amendment 8197

Amendment Text

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1 1 Amend [House File 2515](#) as follows:
1 2 #1. Page 11, line 16, by inserting after the word
1 3 "

~~plans.~~

- the following: "Moneys received from the
1 4 school district sales and use tax fund may be used for
1 5 the construction and repair of school buildings as
1 6 provided in chapter 297A.
1 7 Sec. ____ NEW SECTION. 297A.1 SCHOOL DISTRICT
1 8 SALES AND USE TAX FUND.
1 9 1. A school district sales and use tax fund is
1 10 created as a separate and distinct fund in the state
1 11 treasury under the control of the department of
1 12 revenue and finance. Moneys in the fund include
1 13 revenues credited to the fund pursuant to section
1 14 422.69, subsection 2, and section 423.24, subsection
1 15 2A, appropriations made to the fund and other moneys
1 16 deposited into the fund. The moneys credited in a
1 17 fiscal year to the fund shall be distributed as
1 18 follows:
1 19 a. (1) A school district located in whole or in
1 20 part in a county that had in effect on March 31, 2002,
1 21 the local sales and services tax for school
1 22 infrastructure purposes under chapter 422E shall
1 23 receive an amount equal to its guaranteed school
1 24 infrastructure amount as calculated under subsection 2
1 25 if the board of directors notifies the director of
1 26 revenue and finance that the school district wants to
1 27 receive its guaranteed school infrastructure amount.
1 28 The notification shall be provided by July 1, 2002.
1 29 If notification is not received by July 1, 2002, the
1 30 school district shall receive moneys pursuant to
1 31 paragraph "b". Nothing in this chapter shall prevent
1 32 a school district from using its guaranteed school
1 33 infrastructure amount to pay principal and interest on
1 34 obligations issued pursuant to section 422E.4.
1 35 (2) A school district receiving moneys pursuant to
1 36 subparagraph (1) shall cease to receive its guaranteed
1 37 school infrastructure amount and shall receive moneys
1 38 pursuant to paragraph "b" starting with the fiscal
1 39 year immediately following the fiscal year in which
1 40 occurs the end of the original ten-year period or the
1 41 date listed on the original ballot proposition,
1 42 whichever is the earlier, as provided in chapter 422E.
1 43 A school district may adopt a plan, as provided in
1 44 section 297A.2, subsection 2, to anticipate moneys it
1 45 will receive pursuant to paragraph "b". A school
1 46 district receiving moneys pursuant to subparagraph (1)
1 47 may elect to receive moneys pursuant to paragraph "b"
1 48 by providing notification to receive moneys pursuant
1 49 to paragraph "b" to the director of revenue and
1 50 finance and the director of the department of
2 1 management by February 15 preceding the fiscal year
2 2 for which the election will apply. Once a school
2 3 district makes this election it is irrevocable.
2 4 b. (1) Moneys remaining after computations made

2 5 pursuant to paragraph "a" shall be distributed to
2 6 school districts not receiving moneys under paragraph
2 7 "a" on a per student basis calculated by the director
2 8 of revenue and finance by dividing the moneys
2 9 available during the fiscal year by the combined
2 10 actual enrollment for all school districts receiving
2 11 distributions under this paragraph.

2 12 (2) The combined actual enrollment for school
2 13 districts, for purposes of subparagraph (1), shall be
2 14 calculated by adding together the actual enrollment
2 15 for each school district receiving distributions under
2 16 this paragraph as determined by the department of
2 17 management based on the actual enrollment figures
2 18 reported by October 1 to the department of management
2 19 by the department of education pursuant to section
2 20 257.6, subsection 1. The combined actual enrollment
2 21 count shall be forwarded to the director of revenue
2 22 and finance by March 1, annually, for purposes of
2 23 supplying estimated tax payment figures and making
2 24 estimated tax payments pursuant to subsection 3 for
2 25 the following fiscal year.

2 26 2. a. For purposes of distributions under
2 27 subsection 1, paragraph "a", the school district's
2 28 guaranteed school infrastructure amount shall be
2 29 calculated according to the following formula:

2 30 The district's guaranteed school infrastructure
2 31 amount equals the product of the county guaranteed
2 32 school infrastructure amount times the district's
2 33 county actual enrollment divided by the county
2 34 combined actual enrollment.

2 35 b. For purposes of the formula in paragraph "a":

2 36 (1) "Base year" means the fiscal year beginning
2 37 July 1, 2001.

2 38 (2) "Base year county taxable sales percentage"
2 39 means the percentage that the taxable sales in the
2 40 county during the base year is of the total state
2 41 taxable sales during the base year.

2 42 (3) "County combined actual enrollment" means the
2 43 actual enrollment figures determined by the department
2 44 of management for the county based on the actual
2 45 enrollment figures reported by October 1 to the
2 46 department of management by the department of
2 47 education pursuant to section 257.6, subsection 1.

2 48 (4) "County guaranteed school infrastructure
2 49 amount" means an amount equal to the product of the
2 50 county's chapter 422E proportionate share times the
3 1 amount deposited in the school district sales and use
3 2 tax fund for the current year times the current year
3 3 county taxable sales percentage divided by the base
3 4 year county taxable sales percentage.

3 5 (5) "County's chapter 422E proportionate share"
3 6 means the percentage that the annualized revenues
3 7 received in the county under chapter 422E for the base
3 8 year is of one-fifth of the total state sales and use
3 9 tax revenues collected for deposit into the general
3 10 fund of the state for the base year.

3 11 (6) "Current year" means the fiscal year for which
3 12 distributions under this section are being made.

3 13 (7) "Current year county taxable sales percentage"
3 14 means the percentage that the taxable sales in the
3 15 county during the current fiscal year is of the total
3 16 state taxable sales during the current fiscal year.

3 17 (8) "District's county actual enrollment" means the
3 18 actual enrollment of the school district that attends
3 19 school in the county for which the county combined
3 20 actual enrollment is determined.

3 21 (9) "Taxable sales" means sales subject to the

3 22 state sales and services tax under chapter 422,
3 23 division IV.

3 24 3. a. The director of revenue and finance within
3 25 fifteen days of the beginning of each fiscal year
3 26 shall send to each school district an estimate of the
3 27 amount of tax moneys each school district will receive
3 28 for the year and for each quarter of the year. At the
3 29 end of each quarter, the director may revise the
3 30 estimates for the year and remaining quarters.

3 31 b. The director shall remit ninety-five percent of
3 32 the estimated tax receipts for the school district to
3 33 the school district on or before September 30 of the
3 34 fiscal year and on or before the last day of each
3 35 following quarter.

3 36 c. The director shall remit a final payment of the
3 37 remainder of tax moneys due for the fiscal year before
3 38 November 10 of the next fiscal year. If an
3 39 overpayment has resulted during the previous fiscal
3 40 year, the November payment shall be adjusted to
3 41 reflect any overpayment.

3 42 d. If the distributions are to school districts
3 43 described in subsection 1, paragraph "a", the payments
3 44 to these school districts shall be done on a monthly
3 45 basis beginning with the month of August.

3 46 4. Moneys received by a school district from the
3 47 fund may be applied by the school district for the
3 48 purposes of section 76.4.

3 49 5. The department of revenue and finance shall
3 50 adopt rules for the purpose of carrying out its
4 1 responsibilities under this chapter.

4 2 Sec. _____. NEW SECTION. 297A.2 USE OF SCHOOL
4 3 DISTRICT SALES AND USE TAX FUND MONEYS.

4 4 1. A school district receiving moneys from the
4 5 school district sales and use tax fund under section
4 6 297A.1, subsection 1, paragraph "a", shall use the
4 7 moneys as provided on the original ballot proposition
4 8 pursuant to chapter 422E, for the payment of principal
4 9 and interest on general obligation bonds issued
4 10 pursuant to chapter 296, or section 298.20 or loan
4 11 agreements under section 297.36, for carrying on
4 12 public educational and recreational activities
4 13 pursuant to chapter 300, for payments made pursuant to
4 14 lease or lease-purchase agreements, or for payment of
4 15 principal and interest on bonds issued under sections
4 16 297A.3 and 422E.4.

4 17 2. a. Moneys received by a school district from
4 18 the school district sales and use tax fund under
4 19 section 297A.1, subsection 1, paragraph "b", shall be
4 20 spent for infrastructure purposes only according to a
4 21 plan developed by the board of directors and approved
4 22 by the voters. The plan may apply to more than one
4 23 fiscal year. Prior to adoption of the plan, the board
4 24 of directors shall hold a public hearing on the
4 25 question of approval of the proposed plan. The board
4 26 shall set forth its proposal and shall publish the
4 27 notice of the time and place of a public hearing on
4 28 the proposed plan. Notice of the time and place of
4 29 the public hearing shall be published not less than
4 30 ten nor more than twenty days before the public
4 31 hearing in a newspaper which is a newspaper of general
4 32 circulation in the school district. At the hearing,
4 33 or no later than thirty days after the date of the
4 34 hearing, the board shall take action to adopt the
4 35 proposed plan.

4 36 b. If the board adopts the plan, the board shall
4 37 direct the county commissioner of elections to submit
4 38 the question of the approval or disapproval of the

4 39 infrastructure plan to the registered voters of the
4 40 school district at the next following regular school
4 41 election or a special election. If a majority of
4 42 those voting on the question favors the plan of the
4 43 board, the moneys received shall be used according to
4 44 the plan beginning with the first fiscal year
4 45 following that election until a change in the plan is
4 46 approved at a subsequent election by a majority of
4 47 those voting on the question. If a majority of those
4 48 voting on the question at the election does not favor
4 49 the plan of the board, the district shall use the
4 50 moneys received as provided in paragraph "c" for the
5 1 fiscal year.

5 2 c. If the plan is not approved at an election, as
5 3 provided in paragraph "b", or if a plan is not
5 4 approved by the board, moneys received by a school
5 5 district shall be used for the fiscal year to reduce
5 6 the following levies in the following order:

5 7 (1) Bond levies under sections 298.18 and 298.18A
5 8 and other debt levies until the moneys received or the
5 9 levies are reduced to zero.

5 10 (2) The physical plant and equipment levy under
5 11 section 298.2, until the moneys received or the levy
5 12 is reduced to zero.

5 13 (3) The public educational and recreational
5 14 activities levy under section 300.2, until the moneys
5 15 received or the levy is reduced to zero.

5 16 (4) The schoolhouse tax levy under section 278.1,
5 17 subsection 7, Code 1989, until the moneys received or
5 18 the levy is reduced to zero.

5 19 Any money remaining after the reduction of the
5 20 levies specified in this paragraph "c" may be used for
5 21 any lawful infrastructure purpose of the school
5 22 district.

5 23 d. For purposes of this subsection,
5 24 "infrastructure purposes" means those purposes for
5 25 which a school district is authorized to contract
5 26 indebtedness and issue general obligation bonds under
5 27 chapter 296 or to expend tax revenues under section
5 28 298.3, the payment of principal and interest on
5 29 general obligation bonds issued under chapter 296 or
5 30 section 298.20 or loan agreements under section
5 31 297.36, for carrying on public educational and
5 32 recreational activities pursuant to chapter 300,
5 33 payments made pursuant to a lease or lease-purchase
5 34 agreement, or the payment of principal and interest on
5 35 bonds issued under section 297A.3 or 422E.4.

5 36 Sec. ____ . NEW SECTION. 297A.3 BONDING.

5 37 A school district where the voters have approved a
5 38 plan at an election, as provided in section 297A.2,
5 39 subsection 2, paragraph "b", may issue bonds as
5 40 provided in this section if it complies with all of
5 41 the following procedures:

5 42 1. A school district may institute proceedings for
5 43 the issuance of bonds by causing a notice of the
5 44 proposal to issue the bonds, including a statement of
5 45 the amount and purpose of the bonds, and the right of
5 46 voters to petition for an election, to be published at
5 47 least once in a newspaper of general circulation
5 48 within the school district at least ten days prior to
5 49 the meeting at which it is proposed to take action for
5 50 the issuance of the bonds.

6 1 If at any time before the date fixed for taking
6 2 action for the issuance of the bonds, a petition is
6 3 filed signed by five percent of the registered voters
6 4 of the school district, asking that the question of
6 5 issuing the bonds be submitted to the registered

6 6 voters, the board of directors shall either by
6 7 resolution declare the proposal to issue the bonds to
6 8 be abandoned or shall direct the county commissioner
6 9 of elections to call a special election upon the
6 10 question of issuing the bonds. The proposition of
6 11 issuing bonds under this section is not approved
6 12 unless the vote in favor of the proposition is equal
6 13 to at least sixty percent of the vote cast. If a
6 14 petition is not filed, or if a petition is filed and
6 15 the proposition of issuing the bonds is approved at an
6 16 election, the board of directors may proceed with the
6 17 authorization and issuance of the bonds. Bonds may be
6 18 issued for the purpose of refunding outstanding and
6 19 previously issued bonds under this section without
6 20 otherwise complying with the provisions of this
6 21 section.

6 22 2. The provisions of chapter 76 apply to the bonds
6 23 payable as provided in this subsection, except that
6 24 the mandatory levy to be assessed pursuant to section
6 25 76.2 shall be at a rate to generate an amount which
6 26 together with the receipts from the pledged designated
6 27 portion of the school district's amount received from
6 28 the school district sales and use tax fund under
6 29 section 297A.1 is sufficient to pay the interest and
6 30 principal on the bonds. All amounts collected as a
6 31 result of the levy assessed pursuant to section 76.2
6 32 and paid out for bond principal and interest shall be
6 33 repaid to the school district from the first available
6 34 designated portion of the school district's amount
6 35 received from the school district sales and use tax
6 36 fund under section 297A.1 received in excess of the
6 37 requirement for the payment of the principal and
6 38 interest of the bonds and when repaid shall be applied
6 39 in reduction of property taxes. The amount of bonds
6 40 which may be issued under section 76.3 shall be the
6 41 amount which could be retired from the actual
6 42 collections of the designated portions of the school
6 43 district's amount received from the school district
6 44 sales and use tax fund under section 297A.1 for the
6 45 last four calendar quarters, as certified by the
6 46 director of revenue and finance. The amount of tax
6 47 revenues pledged jointly by other cities or counties
6 48 may be considered for the purpose of determining the
6 49 amount of bonds which may be issued.

6 50 3. The provisions of this section constitute
7 1 separate authorization for the issuance of bonds and
7 2 shall prevail in the event of conflict with any other
7 3 provisions of state law limiting the amount of bonds
7 4 which may be issued or the source of payment of the
7 5 bonds. Bonds issued under this section shall not
7 6 limit or restrict the authority of the school district
7 7 to issue bonds under other provisions of state law.

7 8 Sec. ____ NEW SECTION. 297A.4 REPEAL.
7 9 This chapter is repealed July 1, 2022, for fiscal
7 10 years beginning on or after that date.

7 11 Sec. ____ Section 298.18, unnumbered paragraph 4,
7 12 Code Supplement 2001, is amended by striking the
7 13 unnumbered paragraph and inserting in lieu thereof the
7 14 following:

7 15 If the school corporation's amount received from
7 16 the school district sales and use tax fund under
7 17 section 297A.1 does not equal or exceed the amount
7 18 which would be produced by a levy of one dollar
7 19 thirty-five cents per thousand dollars of the assessed
7 20 value of the taxable property of the school
7 21 corporation, the amount estimated and certified to
7 22 apply on principal and interest for any one year may

7 23 exceed two dollars and seventy cents per thousand
7 24 dollars of assessed value by the amount approved by
7 25 the voters of the school corporation, but not
7 26 exceeding four dollars and five cents per thousand of
7 27 the assessed value of the taxable property within any
7 28 school corporation, provided that the qualified voters
7 29 of such school corporation have first approved such
7 30 increased amount at a special election, which may be
7 31 held at the same time as the regular school election,
7 32 and provided further that the school corporation's
7 33 amount received from the school district sales and use
7 34 tax fund under section 297A.1 shall be used to abate
7 35 an additional levy amount authorized after July 1,
7 36 2002. A levy approved prior to July 1, 2002, shall
7 37 continue to be authorized. The proposition submitted
7 38 to the voters at such special election shall be in
7 39 substantially the following form:

7 40 Sec. _____. Section 298.18, unnumbered paragraph 5,
7 41 Code Supplement 2001, is amended to read as follows:
7 42 Shall the board of directors of the (insert
7 43 name of school corporation) in the County of,
7 44 State of Iowa, be authorized to levy annually a tax
7 45 exceeding two dollars and seventy cents per thousand
7 46 dollars, but not exceeding .. dollars and ... cents
7 47 per thousand dollars of the assessed value of the
7 48 taxable property within said school corporation to pay
7 49 the principal of and interest on bonded indebtedness
7 50 of said school corporation, it being understood that
8 1 the approval of this proposition shall not limit the
8 2 source of payment of the bonds and interest but shall
8 3 only operate to restrict the amount of bonds which may
8 4 be issued and that the additional levy shall be
8 5 reduced and abated in any year by the amount of money
8 6 received from the school district sales and use tax
8 7 fund under section 297A.1?"

8 8 #2. Page 15, by inserting after line 27 the
8 9 following:

8 10 "Sec. _____. Section 422.43, subsections 1, 2, 4, 5,
8 11 6, 7, 10, and 12, Code Supplement 2001, are amended to
8 12 read as follows:

8 13 1. There is imposed a tax of

~~five~~

- ~~six~~ percent upon

8 14 the gross receipts from all sales of tangible personal
8 15 property, consisting of goods, wares, or merchandise,
8 16 except as otherwise provided in this division, sold at
8 17 retail in the state to consumers or users; a like rate
8 18 of tax upon the gross receipts from the sales,
8 19 furnishing, or service of gas, electricity, water,
8 20 heat, pay television service, and communication
8 21 service, including the gross receipts from such sales
8 22 by any municipal corporation or joint water utility
8 23 furnishing gas, electricity, water, heat, pay
8 24 television service, and communication service to the
8 25 public in its proprietary capacity, except as
8 26 otherwise provided in this division, when sold at
8 27 retail in the state to consumers or users; a like rate
8 28 of tax upon the gross receipts from all sales of
8 29 tickets or admissions to places of amusement, fairs,
8 30 and athletic events except those of elementary and
8 31 secondary educational institutions; a like rate of tax
8 32 on the gross receipts from an entry fee or like charge
8 33 imposed solely for the privilege of participating in
8 34 an activity at a place of amusement, fair, or athletic
8 35 event unless the gross receipts from the sales of
8 36 tickets or admissions charges for observing the same

8 37 activity are taxable under this division; and a like
8 38 rate of tax upon that part of private club membership
8 39 fees or charges paid for the privilege of
8 40 participating in any athletic sports provided club
8 41 members.
8 42 2. There is imposed a tax of

~~five~~

- six percent upon

8 43 the gross receipts derived from the operation of all
8 44 forms of amusement devices and games of skill, games
8 45 of chance, raffles, and bingo games as defined in
8 46 chapter 99B, operated or conducted within the state,
8 47 the tax to be collected from the operator in the same
8 48 manner as for the collection of taxes upon the gross
8 49 receipts of tickets or admission as provided in this
8 50 section. The tax shall also be imposed upon the gross
9 1 receipts derived from the sale of lottery tickets or
9 2 shares pursuant to chapter 99E. The tax on the
9 3 lottery tickets or shares shall be included in the
9 4 sales price and distributed to the general fund as
9 5 provided in section 99E.10.
9 6 4. There is imposed a tax of

~~five~~

- six percent upon

9 7 the gross receipts from the sales of engraving,
9 8 photography, retouching, printing, and binding
9 9 services. For the purpose of this division, the sales
9 10 of engraving, photography, retouching, printing, and
9 11 binding services are sales of tangible property.
9 12 5. There is imposed a tax of

~~five~~

- six percent upon

9 13 the gross receipts from the sales of vulcanizing,
9 14 recapping, and retreading services. For the purpose
9 15 of this division, the sales of vulcanizing, recapping,
9 16 and retreading services are sales of tangible
9 17 property.
9 18 6. There is imposed a tax of

~~five~~

- six percent upon

9 19 the gross receipts from the sales of optional service
9 20 or warranty contracts, except residential service
9 21 contracts regulated under chapter 523C, which provide
9 22 for the furnishing of labor and materials and require
9 23 the furnishing of any taxable service enumerated under
9 24 this section. The gross receipts are subject to tax
9 25 even if some of the services furnished are not
9 26 enumerated under this section. For the purpose of
9 27 this division, the sale of an optional service or
9 28 warranty contract, other than a residential service
9 29 contract regulated under chapter 523C, is a sale of
9 30 tangible personal property. Additional sales,
9 31 services, or use taxes shall not be levied on
9 32 services, parts, or labor provided under optional
9 33 service or warranty contracts which are subject to tax
9 34 under this section.
9 35 If the optional service or warranty contract is a
9 36 computer software maintenance or support service
9 37 contract and there is no separately stated fee for the
9 38 taxable personal property or for the nontaxable
9 39 service, the tax of

~~five~~

- six percent imposed by this
9 40 subsection shall be imposed on fifty percent of the
9 41 gross receipts from the sale of such contract. If the
9 42 contract provides for technical support services only,
9 43 no tax shall be imposed under this subsection. The
9 44 provisions of this subsection also apply to the tax
9 45 imposed by chapter 423.
9 46 7. There is imposed a tax of

~~five~~

- six percent upon
9 47 the gross receipts from the renting of rooms,
9 48 apartments, or sleeping quarters in a hotel, motel,
9 49 inn, public lodging house, rooming house, manufactured
9 50 or mobile home which is tangible personal property, or
10 1 tourist court, or in any place where sleeping
10 2 accommodations are furnished to transient guests for
10 3 rent, whether with or without meals. "Renting" and
10 4 "rent" include any kind of direct or indirect charge
10 5 for such rooms, apartments, or sleeping quarters, or
10 6 their use. For the purposes of this division, such
10 7 renting is regarded as a sale of tangible personal
10 8 property at retail. However, this tax does not apply
10 9 to the gross receipts from the renting of a room,
10 10 apartment, or sleeping quarters while rented by the
10 11 same person for a period of more than thirty-one
10 12 consecutive days.
10 13 10. There is imposed a tax of

~~five~~

- six percent
10 14 upon the gross receipts from the rendering,
10 15 furnishing, or performing of services as defined in
10 16 section 422.42.
10 17 12. A tax of

~~five~~

- six percent is imposed upon the
10 18 gross receipts from the sales of prepaid telephone
10 19 calling cards and prepaid authorization numbers. For
10 20 the purpose of this division, the sales of prepaid
10 21 telephone calling cards and prepaid authorization
10 22 numbers are sales of tangible personal property.
10 23 Sec. _____. Section [422.43](#), subsection 13, paragraph
10 24 a, unnumbered paragraph 1, Code Supplement 2001, is
10 25 amended to read as follows:
10 26 A tax of

~~five~~

- six percent is imposed upon the gross
10 27 receipts from the sales, furnishing, or service of
10 28 solid waste collection and disposal service.
10 29 Sec. _____. Section [422.43](#), subsections 16 and 17,
10 30 Code Supplement 2001, are amended to read as follows:
10 31 16. a. A tax of

~~five~~

- six percent is imposed upon
10 32 the gross receipts from sales of bundled services
10 33 contracts. For purposes of this subsection, a
10 34 "bundled services contract" means an agreement
10 35 providing for a retailer's performance of services,
10 36 one or more of which is a taxable service enumerated
10 37 in this section and one or more of which is not, in
10 38 return for a consumer's or user's single payment for
10 39 the performance of the services, with no separate
10 40 statement to the consumer or user of what portion of

10 41 that payment is attributable to any one service which
10 42 is a part of the contract.

10 43 b. For purposes of the administration of the tax
10 44 on bundled services contracts, the director may enter
10 45 into agreements of limited duration with individual
10 46 retailers, groups of retailers, or organizations
10 47 representing retailers of bundled services contracts.
10 48 Such an agreement shall impose the tax rate only upon
10 49 that portion of the gross receipts from a bundled
10 50 services contract which is attributable to taxable
11 1 services provided under the contract.

11 2 17. A tax of

~~five~~

- ~~six~~ percent is imposed upon the

11 3 gross receipts from any mobile telecommunication
11 4 service which this state is allowed to tax by the
11 5 provisions of the federal Mobile Telecommunications
11 6 Sourcing Act, Pub. L. No. 106-252, 4 U.S.C. } 116 et
11 7 seq. For purposes of this subsection, taxes on mobile
11 8 telecommunications service, as defined under the
11 9 federal Mobile Telecommunications Sourcing Act, that
11 10 are deemed to be provided by the customer's home
11 11 service provider shall be paid to the taxing
11 12 jurisdiction whose territorial limits encompass the
11 13 customer's place of primary use, regardless of where
11 14 the mobile telecommunication service originates,
11 15 terminates, or passes through and shall in all other
11 16 respects be taxed in conformity with the federal
11 17 Mobile Telecommunications Sourcing Act. All other
11 18 provisions of the federal Mobile Telecommunications
11 19 Sourcing Act are adopted by the state of Iowa and
11 20 incorporated into this subsection by reference. With
11 21 respect to mobile telecommunications service under the
11 22 federal Mobile Telecommunications Sourcing Act the
11 23 director shall, if requested, enter into agreements
11 24 consistent with the provisions of the federal Act.

11 25 Sec. _____. Section [422.43](#), Code Supplement 2001, is
11 26 amended by adding the following new subsection:

11 27 NEW SUBSECTION. 18. The sales tax rate of six
11 28 percent is reduced to five percent on July 1, 2022.

11 29 Sec. _____. Section [422.47](#), Code Supplement 2001, is
11 30 amended by adding the following new subsection:

11 31 NEW SUBSECTION. 2. Construction contractors may
11 32 make application to the department for a refund of the
11 33 additional one percent tax paid under this division or
11 34 the additional one percent tax paid under chapter 423
11 35 by reason of the increase in the tax from five to six
11 36 percent for taxes paid on goods, wares, or merchandise
11 37 under the following conditions:

11 38 a. The goods, wares, or merchandise are
11 39 incorporated into an improvement to real estate in
11 40 fulfillment of a written contract fully executed prior
11 41 to July 1, 2002. The refund shall not apply to
11 42 equipment transferred in fulfillment of a mixed
11 43 construction contract.

11 44 b. The contractor has paid to the department or to
11 45 a retailer the full six percent tax.

11 46 c. The claim is filed on forms provided by the
11 47 department and is filed within one year of the date
11 48 the tax is paid.

11 49 A contractor who makes an erroneous application for
11 50 refund shall be liable for payment of the excess
12 1 refund paid plus interest at the rate in effect under
12 2 section 421.7. In addition, a contractor who
12 3 willfully makes a false application for refund is
12 4 guilty of a simple misdemeanor and is liable for a

12 5 penalty equal to fifty percent of the excess refund
12 6 claimed. Excess refunds, penalties, and interest due
12 7 under this subsection may be enforced and collected in
12 8 the same manner as the tax imposed by this division.
12 9 Sec. _____. Section [422.69](#), subsection 2, Code 2001,
12 10 is amended to read as follows:
12 11 2. a.

~~Unless~~

~~Except as provided in paragraph "b",~~

12 12 ~~or as~~ otherwise provided, the fees, taxes, interest,
12 13 and penalties collected under this chapter shall be
12 14 credited to the general fund.

12 15 b. One-sixth of the fees, taxes, interest, and
12 16 penalties collected pursuant to division IV shall be
12 17 credited to the school district sales and use tax fund
12 18 created in section 297A.1. This paragraph is stricken
12 19 July 1, 2022.

12 20 Sec. _____. Section [422E.1](#), Code 2001, is amended by
12 21 adding the following new subsections:

12 22 NEW SUBSECTION. 4. a. This chapter does not
12 23 apply to any county for the period beginning after the
12 24 effective date of this Act and ending January 1, 2022.

12 25 b. In the case of a county that has in effect on
12 26 March 31, 2002, a local sales and services tax for
12 27 school infrastructure purposes, the increase in the
12 28 state sales and services tax under chapter 422,
12 29 division IV, from five percent to six percent shall
12 30 replace the county's local sales and services tax for
12 31 school infrastructure purposes and to this extent the
12 32 local sales and services tax for school infrastructure
12 33 purposes is repealed.

12 34 NEW SUBSECTION. 5. Local sales and services tax
12 35 receipts collected prior to July 1, 2002, pursuant to
12 36 this chapter, may be applied by a school district for
12 37 the purposes of section 76.4.

12 38 Sec. _____. Section [423.2](#), Code 2001, is amended to
12 39 read as follows:

12 40 423.2 IMPOSITION OF TAX.

12 41 An excise tax is imposed on the use in this state
12 42 of tangible personal property, including aircraft
12 43 subject to registration under section 328.20,
12 44 purchased for use in this state, at the rate of

~~five~~

12 45 ~~six~~ percent of the purchase price of the property. An
12 46 excise tax is imposed on the use of manufactured
12 47 housing in this state at the rate of

~~five~~

~~six~~ percent

12 48 of the purchase price if the manufactured housing is
12 49 sold in the form of tangible personal property and at
12 50 the rate of

~~five~~

~~six~~ percent of the installed purchase

13 1 price if the manufactured housing is sold in the form
13 2 of realty. An excise tax is imposed on the use in
13 3 this state of vehicles subject to registration or
13 4 subject only to the issuance of a certificate of title
13 5 at the rate of five percent. An excise tax is imposed
13 6 on the use of leased vehicles at the rate of five
13 7 percent of the amount otherwise subject to tax as
13 8 calculated pursuant to section 423.7A. The excise tax
13 9 is imposed upon every person using the property within

13 10 this state until the tax has been paid directly to the
13 11 county treasurer or the state department of
13 12 transportation, to a retailer, or to the department.
13 13 An excise tax is imposed on the use in this state of
13 14 services enumerated in section 422.43 at the rate of
13 15

~~five~~

- ~~six~~ percent. This tax is applicable where

13 16 services are rendered, furnished, or performed in this
13 17 state or where the product or result of the service is
13 18 used in this state. This tax is imposed on every
13 19 person using the services or the product of the
13 20 services in this state until the user has paid the tax
13 21 either to an Iowa use tax permit holder or to the
13 22 department. The rate of use tax of six percent shall
13 23 be reduced to five percent beginning July 1, 2022.

13 24 Sec. _____. Section 423.24, Code 2001, is amended by
13 25 adding the following new subsection:

13 26 NEW SUBSECTION. 2A. One-sixth of all other
13 27 revenue arising under the operation of this chapter
13 28 shall be credited to the school district sales and use
13 29 tax fund created in section 297A.1. This subsection
13 30 is stricken July 1, 2022.

13 31 Sec. _____. Section 423.24, subsection 3, Code 2001,
13 32 is amended to read as follows:

13 33 3. All other revenue arising under the operation
13 34 of this chapter not credited as specified in
13 35 subsections 1, 2, and 2A shall be credited to the
13 36 general fund of the state."

13 37 #3. Page 18, by inserting after line 30 the
13 38 following:

13 39 "Sec. _____. APPLICABILITY. This section applies in
13 40 regard to the increase in the state sales and use
13 41 taxes from five to six percent. The six percent rate
13 42 applies to all sales of taxable personal property,
13 43 consisting of goods, wares, or merchandise if delivery
13 44 occurs on or after July 1, 2002. The six percent use
13 45 tax rate applies to the use of property when the first
13 46 taxable use in this state occurs on or after July 1,
13 47 2002. The six percent rate applies to the gross
13 48 receipts from the sale, furnishing, or service of gas,
13 49 electricity, water, heat, pay television service, and
13 50 communication service if the date of billing the
14 1 customer is on or after July 1, 2002. In the case of
14 2 a service contract entered into prior to July 1, 2002,
14 3 which contract calls for periodic payments, the six
14 4 percent rate applies to those payments made or due on
14 5 or after July 1, 2002. This periodic payment applies,
14 6 but is not limited to, tickets or admissions, private
14 7 club membership fees, sources of amusement, equipment
14 8 rental, dry cleaning, reducing salons, dance schools,
14 9 and all other services subject to tax, except the
14 10 aforementioned utility services which are subject to a
14 11 special transitional rule. Unlike periodic payments
14 12 under service contracts, installment sales of goods,
14 13 wares, and merchandise are subject to the full amount
14 14 of sales or use tax when the sales contract is entered
14 15 into or the property is first used in Iowa.

14 16 Sec. _____. IMMEDIATE EFFECTIVE DATE. The sections
14 17 of this Act, enacting sections 297A.1 and 297A.2,
14 18 being deemed of immediate importance, take effect upon
14 19 enactment."

14 20 #4. Title page, by striking line 2, and inserting
14 21 the following: "education, increasing the state sales
14 22 and use taxes for educational infrastructure purposes,
14 23 and providing effective dates."

14 24
14 25
14 26 _____
14 27 [RICHARDSON](#) of Warren
14 28
14 29
14 30 _____
14 31 [REYNOLDS](#) of Van Buren
14 32
14 33
14 34 _____
14 35 [MERTZ](#) of Kossuth
14 36
14 37
14 38 _____
14 39 [KREIMAN](#) of Davis
14 40
14 41
14 42 _____
14 43 HOFFMAN of Crawford
14 44
14 45
14 46 _____
14 47 [KETTERING](#) of Sac
14 48
14 49
14 50 _____
15 1 [JOHNSON](#) of Osceola
15 2 [HF 2515.201](#) 79
15 3 mg/sh