

House Amendment 8422

Amendment Text

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1 1 Amend [Senate File 2228](#), as passed by the Senate, as
1 2 follows:
1 3 #1. Page 1, by inserting before line 13 the
1 4 following:
1 5 "Sec. 103. NEW SECTION. 298B.1 SCHOOL DISTRICT
1 6 SALES TAX FUND.
1 7 1. A school district sales tax fund is created as
1 8 a separate and distinct fund in the state treasury
1 9 under the control of the department of revenue and
1 10 finance. Moneys in the fund include revenues credited
1 11 to the fund pursuant to section 422.69, subsection 2,
1 12 appropriations made to the fund, and other moneys
1 13 deposited into the fund. The moneys credited in a
1 14 fiscal year to the fund shall be distributed as
1 15 follows:
1 16 a. (1) A school district located in whole or in
1 17 part in a county that voted on and approved prior to
1 18 March 31, 2002, the local sales and services tax for
1 19 school infrastructure purposes under chapter 422E
1 20 shall receive an amount equal to its guaranteed school
1 21 infrastructure amount as calculated under subsection 2
1 22 if the board of directors notifies the director of
1 23 revenue and finance that the school district wants to
1 24 receive its guaranteed school infrastructure amount.
1 25 The notification shall be provided by July 1, 2003.
1 26 If notification is not received by July 1, 2003, the
1 27 school district shall receive moneys pursuant to
1 28 paragraph "b". Nothing in this chapter shall prevent
1 29 a school district from using its guaranteed school
1 30 infrastructure amount to pay principal and interest on
1 31 obligations issued pursuant to section 422E.4.
1 32 (2) A school district receiving moneys pursuant to
1 33 subparagraph (1) shall cease to receive its guaranteed
1 34 school infrastructure amount and shall receive moneys
1 35 pursuant to paragraph "b" starting with the calendar
1 36 quarter immediately following the calendar quarter in
1 37 which occurs the end of the original ten-year period
1 38 or the date listed on the original ballot proposition,
1 39 whichever is the earlier, as provided in chapter 422E.
1 40 However, a school district receiving moneys pursuant
1 41 to subparagraph (1) may elect at anytime to receive
1 42 moneys pursuant to paragraph "b" by providing
1 43 notification to receive moneys pursuant to paragraph
1 44 "b" to the director of revenue and finance and the
1 45 director of the department of management by the middle
1 46 of the fifth month preceding the calendar quarter for
1 47 which the election will apply. Once a school district
1 48 makes this election it is irrevocable.
1 49 b. (1) Moneys remaining after computations made
1 50 pursuant to paragraph "a" shall be distributed to
2 1 school districts not receiving moneys under paragraph
2 2 "a" on a per student basis calculated by the director
2 3 of revenue and finance by dividing the moneys
2 4 available during the previous calendar quarter by the
2 5 combined actual enrollment for all school districts
2 6 receiving distributions under this paragraph.
2 7 (2) The combined actual enrollment for school

2 8 districts, for purposes of subparagraph (1), shall be
2 9 calculated by adding together the actual enrollment
2 10 for each school district receiving distributions under
2 11 subparagraph (1) as determined by the department of
2 12 management based on the actual enrollment figures
2 13 reported by October 1 to the department of management
2 14 by the department of education pursuant to section
2 15 257.6, subsection 1. The combined actual enrollment
2 16 count shall be forwarded to the director of revenue
2 17 and finance by January 1, annually, for purposes of
2 18 supplying estimated tax payment figures and making tax
2 19 payments pursuant to subsection 3 for the following
2 20 four calendar quarters.

2 21 2. a. For purposes of distributions under
2 22 subsection 1, paragraph "a", the school district's
2 23 guaranteed school infrastructure amount shall be
2 24 calculated according to the following formula:

2 25 The district's guaranteed school infrastructure
2 26 amount equals the product of the county guaranteed
2 27 school infrastructure amount times the district's
2 28 county actual enrollment divided by the county
2 29 combined actual enrollment.

2 30 b. For purposes of the formula in paragraph "a":

2 31 (1) "Base year" means the fiscal year beginning
2 32 July 1, 2001.

2 33 (2) "Base year county taxable sales percentage"
2 34 means the percentage that the taxable sales in the
2 35 county during the base year is of the total state
2 36 taxable sales during the base year.

2 37 (3) "County combined actual enrollment" means the
2 38 actual enrollment figures determined by the department
2 39 of management for the county based on the actual
2 40 enrollment figures reported by October 1 to the
2 41 department of management by the department of
2 42 education pursuant to section 257.6, subsection 1.

2 43 (4) "County guaranteed school infrastructure
2 44 amount" means an amount equal to the product of the
2 45 county's chapter 422E proportionate share times the
2 46 amount deposited in the school district sales tax fund
2 47 for the current quarter times the current quarter
2 48 county taxable sales percentage divided by the base
2 49 year county taxable sales percentage.

2 50 (5) "County's chapter 422E proportionate share"
3 1 means the percentage that the annualized revenues
3 2 received or which would have been received in the
3 3 county under chapter 422E for the base year is of one-
3 4 fifth of the total state sales tax revenues collected
3 5 for deposit into the general fund of the state for the
3 6 base year.

3 7 (6) "Current quarter" means the calendar quarter
3 8 for which distributions under this section are being
3 9 made.

3 10 (7) "Current quarter county taxable sales
3 11 percentage" means the percentage that the taxable
3 12 sales in the county during the current quarter is of
3 13 the total state taxable sales during the current
3 14 quarter.

3 15 (8) "District's county actual enrollment" means
3 16 the actual enrollment of the school district that
3 17 attends school in the county for which the county
3 18 combined actual enrollment is determined.

3 19 (9) "Taxable sales" means sales subject to the
3 20 state sales and services tax under chapter 422,
3 21 division IV.

3 22 3. a. The director of revenue and finance by
3 23 April 10 preceding each fiscal year shall send to each
3 24 school district an estimate of the amount of tax

3 25 moneys each school district will receive for the year
3 26 and for each quarter of the year. At the end of each
3 27 quarter, the director may revise the estimates for the
3 28 year and remaining quarters.

3 29 b. The director shall remit ninety-five percent of
3 30 the estimated tax receipts collected during the
3 31 previous calendar quarter for the school district to
3 32 the school district on or before the end of the
3 33 following calendar quarter. The first distributions
3 34 shall be made on or before July 1, 2003, of the
3 35 estimated tax receipts collected during the calendar
3 36 quarter beginning January 1, 2003, and ending March
3 37 31, 2003.

3 38 c. The director shall remit a final payment of the
3 39 remainder of tax moneys due for the fiscal year before
3 40 November 10 of the next fiscal year. If an
3 41 overpayment has resulted during the previous fiscal
3 42 year, the November payment shall be adjusted to
3 43 reflect any overpayment.

3 44 d. If the distributions are to school districts
3 45 described in subsection 1, paragraph "a", the payments
3 46 to these school districts shall be made on a monthly
3 47 basis beginning with the first distribution to be made
3 48 in February 2003.

3 49 4. The department of revenue and finance has
3 50 rulemaking authority for purposes of carrying out the
4 1 provisions of this section.

4 2 Sec. 104. NEW SECTION. 298B.2 USE OF SCHOOL
4 3 DISTRICT SALES TAX FUND MONEYS.

4 4 1. a. A school district receiving moneys from the
4 5 school district sales tax fund under section 298B.1,
4 6 subsection 1, paragraph "a", shall use the moneys as
4 7 provided on the original ballot proposition pursuant
4 8 to chapter 422E, for the payment of principal and
4 9 interest on general obligation bonds issued pursuant
4 10 to chapter 296, or section 298.20 or loan agreements
4 11 under section 297.36, for payments made pursuant to
4 12 real property lease or lease-purchase agreements, or
4 13 for payment of principal and interest on bonds issued
4 14 under section 298B.3 or 422E.4.

4 15 b. If a school district that qualifies to receive
4 16 a guaranteed school infrastructure amount under
4 17 section 298B.1, subsection 1, paragraph "a", elects to
4 18 receive moneys under section 298B.1, subsection 1,
4 19 paragraph "b", the school district shall use the
4 20 moneys received, in an amount equal to its guaranteed
4 21 school infrastructure amount, for the purposes
4 22 provided in paragraph "a" of this subsection until the
4 23 fiscal year immediately following the fiscal year in
4 24 which occurs the end of the original ten-year period
4 25 or the date listed on the original ballot proposition,
4 26 whichever is the earlier, as provided in chapter 422E,
4 27 at which time all moneys received shall be used as
4 28 provided in subsection 2.

4 29 2. a. Moneys received by a school district from
4 30 the school district sales tax fund under section
4 31 298B.1, subsection 1, paragraph "b", except to the
4 32 extent provided in subsection 1, paragraph "b", of the
4 33 section, shall be spent for property tax relief or
4 34 infrastructure purposes according to an infrastructure
4 35 plan developed by the board of directors. The
4 36 infrastructure plan may apply to more than one fiscal
4 37 year, but shall be reviewed periodically by the board
4 38 of directors. Prior to adoption of the plan, the
4 39 board of directors shall hold a public hearing on the
4 40 question of approval of the proposed plan. The board
4 41 shall set forth its proposal and shall publish the

4 42 notice of the time and place of a public hearing on
4 43 the proposed plan. Notice of the time and place of
4 44 the public hearing shall be published not less than
4 45 ten nor more than twenty days before the public
4 46 hearing in a newspaper which is a newspaper of general
4 47 circulation in the school district. At the hearing,
4 48 or no later than thirty days after the date of the
4 49 hearing, the board shall take action to adopt the
4 50 proposed plan.

5 1 b. If the board adopts the plan, the board shall
5 2 direct the county commissioner of elections to submit
5 3 the question of the approval or disapproval of the
5 4 infrastructure plan to the registered voters of the
5 5 school district at the next following regular school
5 6 election or a special election. If a majority of
5 7 those voting on the question favor the plan of the
5 8 board, the moneys received shall be used according to
5 9 the plan beginning with the first fiscal year
5 10 following that election until a change in the plan is
5 11 approved at a subsequent election by a majority of
5 12 those voting on the question. If a majority of those
5 13 voting on the question at the election does not favor
5 14 the plan of the board, the district shall use the
5 15 moneys received as provided in paragraph "c" for the
5 16 fiscal year.

5 17 If a plan is not approved at an election, the
5 18 question of the approval of the plan or any part of
5 19 that plan shall not be submitted to the registered
5 20 voters sooner than six months from the date the plan
5 21 or part of the plan was previously submitted.

5 22 c. If the infrastructure plan is not approved at
5 23 an election as provided in paragraph "b", or if a plan
5 24 is not approved by the board, moneys received by a
5 25 school district or moneys in excess of those needed
5 26 for infrastructure purposes according to an approved
5 27 plan shall be used for the fiscal year to reduce the
5 28 following levies including income surtax, if any, in
5 29 the order determined by the board:

5 30 (1) Bond levies under sections 298.18 and 298.18A
5 31 and all other debt levies until the moneys received or
5 32 the levies are reduced to zero.

5 33 (2) The regular physical plant and equipment levy
5 34 under section 298.2, until the moneys received or the
5 35 levy is reduced to zero.

5 36 (3) The voter-approved physical plant and
5 37 equipment levy and income surtax, if any, under
5 38 section 298.2, until the moneys received or the levy
5 39 and income surtax, if any, is reduced to zero.

5 40 (4) The district management levy under section
5 41 298.4, until the moneys received or the levy is
5 42 reduced to zero.

5 43 (5) The cash reserve levy under section 298.10,
5 44 until the moneys received or the levy is reduced to
5 45 zero.

5 46 (6) The budget adjustment levy under section
5 47 257.14, until the moneys received or the levy is
5 48 reduced to zero.

5 49 (7) The playground and equipment levy under
5 50 section 300.2, until the moneys received or the levy
6 1 is reduced to zero.

6 2 d. For purposes of this subsection,
6 3 "infrastructure purposes" means those purposes for
6 4 which a school district is authorized to contract
6 5 indebtedness and issue general obligation bonds under
6 6 chapter 296 or to expend tax revenues under section
6 7 298.3, the payment of principal and interest on
6 8 general obligation bonds issued under chapter 296 or

6 9 section 298.20 or loan agreements under section
6 10 297.36, payments made pursuant to a real property
6 11 lease or lease-purchase agreement, or the payment of
6 12 principal and interest on bonds issued under section
6 13 298.3 or 422E.4.

6 14 e. Notwithstanding any other provision in this
6 15 subsection, moneys received by a school district from
6 16 the school district sales tax fund under section
6 17 298B.1, subsection 1, paragraph "b", during the fiscal
6 18 year beginning July 1, 2002, shall be dedicated for
6 19 property tax relief by reducing the levies specified
6 20 in paragraph "c" for taxes payable in the fiscal year
6 21 beginning July 1, 2003. However, if an infrastructure
6 22 plan is approved at an election by the required
6 23 majority of those voting prior to April 15, 2003, any
6 24 amount of such dedicated moneys may be used for the
6 25 purposes specified under the plan.

6 26 Sec. 105. NEW SECTION. 298B.3 BONDING.

6 27 A school district receiving moneys pursuant to
6 28 section 298B.1, subsection 1, paragraph "a", or a
6 29 school district receiving moneys pursuant to section
6 30 298B.1, subsection 1, paragraph "b", which has
6 31 approved by election the use of the moneys for
6 32 infrastructure purposes, may anticipate the amount of
6 33 moneys to be received pursuant to section 298B.1 as
6 34 provided in this section.

6 35 The board of directors of a school district may
6 36 issue negotiable, interest-bearing school bonds,
6 37 without an additional election, and utilize tax
6 38 receipts derived from the school district sales tax
6 39 fund for principal and interest repayment. Proceeds
6 40 of the bonds issued pursuant to this section shall be
6 41 utilized solely for infrastructure purposes as defined
6 42 in section 298B.2, subsection 2.

6 43 Bonds issued under this section may be sold at
6 44 public sale as provided in chapter 75. Notice shall
6 45 be given and a hearing shall be held as provided in
6 46 section 73A.12. Bonds may bear dates, bear interest
6 47 at rates not exceeding that permitted by chapter 74A,
6 48 mature in one or more installments, be in either
6 49 coupon or registered form, carry registration and
6 50 conversion privileges, be payable as to principal and
7 1 interest at times and places, be subject to terms of
7 2 redemption prior to maturity with or without premium,
7 3 and be in one or more denominations, all as provided
7 4 by the resolution of the board of directors
7 5 authorizing their issuance. However, the maximum
7 6 period during which principal on the bonds is payable
7 7 shall not exceed the length of time the infrastructure
7 8 plan is valid. The resolution may also prescribe
7 9 additional provisions, terms, conditions, and
7 10 covenants which the board of directors deems
7 11 advisable, including provisions for creating and
7 12 maintaining reserve funds, the issuance of additional
7 13 bonds ranking on a parity with such bonds and
7 14 additional bonds junior and subordinate to such bonds,
7 15 and that such bonds shall rank on a parity with or be
7 16 junior and subordinate to any bonds which may be then
7 17 outstanding. Bonds may be issued to refund
7 18 outstanding and previously issued bonds under this
7 19 section. Bonds are a contract between the school
7 20 district and holders, and the resolution issuing the
7 21 bonds and pledging tax revenues to be received from
7 22 the school district sales tax fund to the payment of
7 23 principal and interest on the bonds is a part of the
7 24 contract. Bonds issued pursuant to this section shall
7 25 not constitute indebtedness within the meaning of any

7 26 constitutional or statutory debt limitation or
7 27 restriction, and shall not be subject to any other law
7 28 relating to the authorization, issuance, or sale of
7 29 bonds.

7 30 A school district may enter into a chapter 28E
7 31 agreement with another school district or other public
7 32 entity. The school district shall only expend its
7 33 designated portion of tax revenues to be received from
7 34 the school district sales tax fund.

7 35 Sec. 106. NEW SECTION. 298B.4 REPEAL.

7 36 This chapter is repealed July 1, 2022, for fiscal
7 37 years beginning on or after that date.

7 38 Sec. 107. Section [422.43](#), subsections 1, 2, 4, 5,
7 39 6, 7, 10, and 12, Code Supplement 2001, are amended to
7 40 read as follows:

7 41 1. There is imposed a tax of

~~five~~

- ~~six~~ percent upon

7 42 the gross receipts from all sales of tangible personal
7 43 property, consisting of goods, wares, or merchandise,
7 44 except as otherwise provided in this division, sold at
7 45 retail in the state to consumers or users; a like rate
7 46 of tax upon the gross receipts from the sales,
7 47 furnishing, or service of gas, electricity, water,
7 48 heat, pay television service, and communication
7 49 service, including the gross receipts from such sales
7 50 by any municipal corporation or joint water utility
8 1 furnishing gas, electricity, water, heat, pay
8 2 television service, and communication service to the
8 3 public in its proprietary capacity, except as
8 4 otherwise provided in this division, when sold at
8 5 retail in the state to consumers or users; a like rate
8 6 of tax upon the gross receipts from all sales of
8 7 tickets or admissions to places of amusement, fairs,
8 8 and athletic events except those of elementary and
8 9 secondary educational institutions; a like rate of tax
8 10 on the gross receipts from an entry fee or like charge
8 11 imposed solely for the privilege of participating in
8 12 an activity at a place of amusement, fair, or athletic
8 13 event unless the gross receipts from the sales of
8 14 tickets or admissions charges for observing the same
8 15 activity are taxable under this division; and a like
8 16 rate of tax upon that part of private club membership
8 17 fees or charges paid for the privilege of
8 18 participating in any athletic sports provided club
8 19 members.

8 20 2. There is imposed a tax of

~~five~~

- ~~six~~ percent upon

8 21 the gross receipts derived from the operation of all
8 22 forms of amusement devices and games of skill, games
8 23 of chance, raffles, and bingo games as defined in
8 24 chapter 99B, operated or conducted within the state,
8 25 the tax to be collected from the operator in the same
8 26 manner as for the collection of taxes upon the gross
8 27 receipts of tickets or admission as provided in this
8 28 section. The tax shall also be imposed upon the gross
8 29 receipts derived from the sale of lottery tickets or
8 30 shares pursuant to chapter 99E. The tax on the
8 31 lottery tickets or shares shall be included in the
8 32 sales price and distributed to the general fund as
8 33 provided in section 99E.10.

8 34 4. There is imposed a tax of

~~five~~

- six percent upon
8 35 the gross receipts from the sales of engraving,
8 36 photography, retouching, printing, and binding
8 37 services. For the purpose of this division, the sales
8 38 of engraving, photography, retouching, printing, and
8 39 binding services are sales of tangible property.
8 40 5. There is imposed a tax of

~~five~~

- six percent upon
8 41 the gross receipts from the sales of vulcanizing,
8 42 recapping, and retreading services. For the purpose
8 43 of this division, the sales of vulcanizing, recapping,
8 44 and retreading services are sales of tangible
8 45 property.
8 46 6. There is imposed a tax of

~~five~~

- six percent upon
8 47 the gross receipts from the sales of optional service
8 48 or warranty contracts, except residential service
8 49 contracts regulated under chapter 523C, which provide
8 50 for the furnishing of labor and materials and require
9 1 the furnishing of any taxable service enumerated under
9 2 this section. The gross receipts are subject to tax
9 3 even if some of the services furnished are not
9 4 enumerated under this section. For the purpose of
9 5 this division, the sale of an optional service or
9 6 warranty contract, other than a residential service
9 7 contract regulated under chapter 523C, is a sale of
9 8 tangible personal property. Additional sales,
9 9 services, or use taxes shall not be levied on
9 10 services, parts, or labor provided under optional
9 11 service or warranty contracts which are subject to tax
9 12 under this section.
9 13 If the optional service or warranty contract is a
9 14 computer software maintenance or support service
9 15 contract and there is no separately stated fee for the
9 16 taxable personal property or for the nontaxable
9 17 service, the tax of

~~five~~

- six percent imposed by this
9 18 subsection shall be imposed on fifty percent of the
9 19 gross receipts from the sale of such contract. If the
9 20 contract provides for technical support services only,
9 21 no tax shall be imposed under this subsection. The
9 22 provisions of this subsection also apply to the tax
9 23 imposed by chapter 423.
9 24 7. There is imposed a tax of

~~five~~

- six percent upon
9 25 the gross receipts from the renting of rooms,
9 26 apartments, or sleeping quarters in a hotel, motel,
9 27 inn, public lodging house, rooming house, manufactured
9 28 or mobile home which is tangible personal property, or
9 29 tourist court, or in any place where sleeping
9 30 accommodations are furnished to transient guests for
9 31 rent, whether with or without meals. "Renting" and
9 32 "rent" include any kind of direct or indirect charge
9 33 for such rooms, apartments, or sleeping quarters, or
9 34 their use. For the purposes of this division, such
9 35 renting is regarded as a sale of tangible personal
9 36 property at retail. However, this tax does not apply
9 37 to the gross receipts from the renting of a room,
9 38 apartment, or sleeping quarters while rented by the

9 39 same person for a period of more than thirty-one
9 40 consecutive days.
9 41 10. There is imposed a tax of

~~five~~

- ~~six~~ percent
9 42 upon the gross receipts from the rendering,
9 43 furnishing, or performing of services as defined in
9 44 section 422.42.
9 45 12. A tax of

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- ~~six~~ percent is imposed upon the
9 46 gross receipts from the sales of prepaid telephone
9 47 calling cards and prepaid authorization numbers. For
9 48 the purpose of this division, the sales of prepaid
9 49 telephone calling cards and prepaid authorization
9 50 numbers are sales of tangible personal property.
10 1 Sec. 108. Section [422.43](#), subsection 13, paragraph
10 2 a, unnumbered paragraph 1, Code Supplement 2001, is
10 3 amended to read as follows:
10 4 A tax of

~~five~~

- ~~six~~ percent is imposed upon the gross
10 5 receipts from the sales, furnishing, or service of
10 6 solid waste collection and disposal service.
10 7 Sec. 109. Section [422.43](#), subsections 16 and 17,
10 8 Code Supplement 2001, are amended to read as follows:
10 9 16. a. A tax of

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- ~~six~~ percent is imposed upon
10 10 the gross receipts from sales of bundled services
10 11 contracts. For purposes of this subsection, a
10 12 "bundled services contract" means an agreement
10 13 providing for a retailer's performance of services,
10 14 one or more of which is a taxable service enumerated
10 15 in this section and one or more of which is not, in
10 16 return for a consumer's or user's single payment for
10 17 the performance of the services, with no separate
10 18 statement to the consumer or user of what portion of
10 19 that payment is attributable to any one service which
10 20 is a part of the contract.
10 21 b. For purposes of the administration of the tax
10 22 on bundled services contracts, the director may enter
10 23 into agreements of limited duration with individual
10 24 retailers, groups of retailers, or organizations
10 25 representing retailers of bundled services contracts.
10 26 Such an agreement shall impose the tax rate only upon
10 27 that portion of the gross receipts from a bundled
10 28 services contract which is attributable to taxable
10 29 services provided under the contract.
10 30 17. A tax of

~~five~~

- ~~six~~ percent is imposed upon the
10 31 gross receipts from any mobile telecommunication
10 32 service which this state is allowed to tax by the
10 33 provisions of the federal Mobile Telecommunications
10 34 Sourcing Act, Pub. L. No. 106-252, 4 U.S.C. } 116 et
10 35 seq. For purposes of this subsection, taxes on mobile
10 36 telecommunications service, as defined under the
10 37 federal Mobile Telecommunications Sourcing Act, that
10 38 are deemed to be provided by the customer's home
10 39 service provider shall be paid to the taxing
10 40 jurisdiction whose territorial limits encompass the

10 41 customer's place of primary use, regardless of where
10 42 the mobile telecommunication service originates,
10 43 terminates, or passes through and shall in all other
10 44 respects be taxed in conformity with the federal
10 45 Mobile Telecommunications Sourcing Act. All other
10 46 provisions of the federal Mobile Telecommunications
10 47 Sourcing Act are adopted by the state of Iowa and
10 48 incorporated into this subsection by reference. With
10 49 respect to mobile telecommunications service under the
10 50 federal Mobile Telecommunications Sourcing Act the
11 1 director shall, if requested, enter into agreements
11 2 consistent with the provisions of the federal Act.

11 3 Sec. 110. Section [422.43](#), Code Supplement 2001, is
11 4 amended by adding the following new subsection:

11 5 NEW SUBSECTION. 18. The sales tax rate of six
11 6 percent is reduced to five percent on July 1, 2022.

11 7 Sec. 111. Section [422.47](#), Code Supplement 2001, is
11 8 amended by adding the following new subsection:

11 9 NEW SUBSECTION. 2. Construction contractors may
11 10 make application to the department for a refund of the
11 11 additional one percent tax paid under this division by
11 12 reason of the increase in the tax from five to six
11 13 percent for taxes paid on goods, wares, or merchandise
11 14 under the following conditions:

11 15 a. The goods, wares, or merchandise are
11 16 incorporated into an improvement to real estate in
11 17 fulfillment of a written contract fully executed prior
11 18 to January 1, 2003. The refund shall not apply to
11 19 equipment transferred in fulfillment of a mixed
11 20 construction contract.

11 21 b. The contractor has paid to the department or to
11 22 a retailer the full six percent tax.

11 23 c. The claim is filed on forms provided by the
11 24 department and is filed within one year of the date
11 25 the tax is paid.

11 26 A contractor who makes an erroneous application for
11 27 refund shall be liable for payment of the excess
11 28 refund paid plus interest at the rate in effect under
11 29 section 421.7. In addition, a contractor who
11 30 willfully makes a false application for refund is
11 31 guilty of a simple misdemeanor and is liable for a
11 32 penalty equal to fifty percent of the excess refund
11 33 claimed. Excess refunds, penalties, and interest due
11 34 under this subsection may be enforced and collected in
11 35 the same manner as the tax imposed by this division.

11 36 Sec. 112. Section [422.69](#), subsection 2, Code 2001,
11 37 is amended to read as follows:

11 38 2. a.

~~Unless~~

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

11 39 or as otherwise provided, the fees, taxes, interest,
11 40 and penalties collected under this chapter shall be
11 41 credited to the general fund.

11 42 b. One-sixth of the fees, taxes, interest, and
11 43 penalties collected pursuant to division IV shall be
11 44 credited to the school district sales tax fund created
11 45 in section 298B.1. This paragraph is repealed July 1,
11 46 2022.

11 47 Sec. 113. Section [422E.1](#), Code 2001, is amended by
11 48 adding the following new subsection:

11 49 NEW SUBSECTION. 4. a. This chapter does not
11 50 apply to any county after the effective date of this
12 1 section of this Act, except to the extent provided in
12 2 paragraph "b". Any election on the imposition of the
12 3 local sales and services tax scheduled to be held on
12 4 or after the effective date of this section of this

12 5 Act shall not be held.

12 6 b. A county that has voted on and approved prior
12 7 to March 31, 2002, a local sales and services tax for
12 8 school infrastructure purposes shall impose the tax
12 9 until December 31, 2002. However, the increase in the
12 10 state sales and services tax under chapter 422,
12 11 division IV, from five percent on January 1, 2003, to
12 12 six percent shall replace the county's local sales and
12 13 services tax for school infrastructure purposes and to
12 14 this extent the local sales and services tax for
12 15 school infrastructure purposes is repealed.

12 16 Sec. 114. APPLICABILITY. This section applies in
12 17 regard to the increase in the state sales tax from
12 18 five to six percent. The six percent rate applies to
12 19 all sales of taxable personal property, consisting of
12 20 goods, wares, or merchandise if delivery occurs on or
12 21 after January 1, 2003. The six percent rate applies
12 22 to the gross receipts from the sale, furnishing, or
12 23 service of gas, electricity, water, heat, pay
12 24 television service, and communication service if the
12 25 date of billing the customer is on or after January 1,
12 26 2003. In the case of a service contract entered into
12 27 prior to January 1, 2003, which contract calls for
12 28 periodic payments, the six percent rate applies to
12 29 those payments made or due on or after January 1,
12 30 2003. This periodic payment applies, but is not
12 31 limited to, tickets or admissions, private club
12 32 membership fees, sources of amusement, equipment
12 33 rental, dry cleaning, reducing salons, dance schools,
12 34 and all other services subject to tax, except the
12 35 aforementioned utility services which are subject to a
12 36 special transitional rule. Unlike periodic payments
12 37 under service contracts, installment sales of goods,
12 38 wares, and merchandise are subject to the full amount
12 39 of sales or use tax when the sales contract is entered
12 40 into.

12 41 Sec. 115. EFFECTIVE DATES.

12 42 1. Sections 103, 104, and 113 of this Act,
12 43 enacting sections 298B.1 and 298B.2 and section
12 44 422E.1, subsection 4, being deemed of immediate
12 45 importance, take effect upon enactment.

12 46 2. Sections 107, 108, 109, 111, and 112 of this
12 47 Act, amending section 422.43, increasing the sales
12 48 tax, and sections 422.47 and 422.69, take effect
12 49 January 1, 2003."

12 50 #2. Title page, line 2, by inserting after the
13 1 word "purposes" the following: "and of school
13 2 district moneys received from certain state sales tax
13 3 revenues for property tax relief and infrastructure
13 4 purposes if approved by the vote of the electorate,
13 5 providing a penalty, and including effective date
13 6 provisions."

13 7

13 8

13 9

13 10 _____
13 10 HOFFMAN of Crawford

13 11

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13 13

13 14 _____
13 14 RICHARDSON of Warren

13 15

13 16

13 17

13 18 _____
13 18 KETTERING of Sac

13 19

13 20

13 21 _____

13 22 [MERTZ](#) of Kossuth
13 23
13 24
13 25 _____
13 26 [FINCH](#) of Story
13 27
13 28
13 29 _____
13 30 [TYMESON](#) of Madison
13 31
13 32
13 33 _____
13 34 [BRUNKHORST](#) of Bremer
13 35 [SF 2228.301](#) 79
13 36 mg/cf