

House File 2705

H-8381

1 Amend House File 2705 as follows:

2 1. By striking page 1, line 1, through page 6, line 8, and  
3 inserting:

4 <Section 1. Section 423.2, subsection 1, unnumbered  
5 paragraph 1, Code 2024, is amended to read as follows:

6 There is imposed a tax ~~of six percent~~ at a rate specified  
7 in subsection 12 upon the sales price of all sales of tangible  
8 personal property, sold at retail in the state to consumers or  
9 users except as otherwise provided in [this subchapter](#).

10 Sec. 2. Section 423.2, subsections 2 and 3, Code 2024, are  
11 amended to read as follows:

12 2. A tax ~~of six percent~~ at a rate specified in subsection  
13 12 is imposed upon the sales price of the sale or furnishing  
14 of gas, electricity, water, heat, pay television service, and  
15 communication service, including the sales price from such  
16 sales by any municipal corporation or joint water utility  
17 furnishing gas, electricity, water, heat, pay television  
18 service, and communication service to the public in its  
19 proprietary capacity, except as otherwise provided in this  
20 subchapter, when sold at retail in the state to consumers or  
21 users.

22 3. A tax ~~of six percent~~ at a rate specified in subsection  
23 12 is imposed upon the sales price of all sales of tickets  
24 or admissions to places of amusement, fairs, and athletic  
25 events except those of elementary and secondary educational  
26 institutions. A tax ~~of six percent~~ at a rate specified in  
27 subsection 12 is imposed on the sales price of an entry fee or  
28 like charge imposed solely for the privilege of participating  
29 in an activity at a place of amusement, fair, or athletic event  
30 unless the sales price of tickets or admissions charges for  
31 observing the same activity are taxable under [this subchapter](#).  
32 A tax ~~of six percent~~ at a rate specified in subsection 12  
33 is imposed upon that part of private club membership fees or  
34 charges paid for the privilege of participating in any athletic  
35 sports provided club members.



1 transaction.

2 Sec. 7. Section 423.2, subsection 9, Code 2024, is amended  
3 to read as follows:

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

26 Sec. 8. Section 423.2, subsection 10, paragraph a, Code  
27 2024, is amended to read as follows:

28 a. A tax of six percent at a rate specified in subsection  
29 12 is imposed on the sales price of specified digital products  
30 sold at retail in the state. The tax applies whether the  
31 purchaser obtains permanent use or less than permanent use of  
32 the specified digital product, whether the sale is conditioned  
33 or not conditioned upon continued payment from the purchaser,  
34 and whether the sale is on a subscription basis or is not on a  
35 subscription basis.

1     Sec. 9. Section 423.2, subsection 12, Code 2024, is amended  
2 by striking the subsection and inserting in lieu thereof the  
3 following:

4     12. *a.* For the period beginning January 1, 2025, and ending  
5 December 31, 2050, the sales tax rate is five percent.

6     *b.* Beginning January 1, 2051, the sales tax rate is four  
7 percent.

8     Sec. 10. Section 423.2A, subsection 2, paragraph c, Code  
9 2024, is amended to read as follows:

10    *c.* Transfer ~~one-sixth~~ one-fifth of the remaining revenues  
11 to the secure an advanced vision for education fund created in  
12 section 423F.2. This paragraph "c" is repealed January 1, 2051.

13    Sec. 11. Section 423.5, subsection 1, unnumbered paragraph  
14 1, Code 2024, is amended to read as follows:

15    ~~Except as provided in paragraph "b", an~~ An excise tax at the  
16 rate of ~~six~~ five percent of the purchase price or installed  
17 purchase price is imposed on the following:

18    Sec. 12. Section 423.5, subsection 1, paragraph b, Code  
19 2024, is amended to read as follows:

20    *b.* ~~An excise tax at the rate of five percent is imposed~~  
21 ~~on the~~ The use of vehicles subject only to the issuance of a  
22 certificate of title and the use of manufactured housing, and  
23 on the use of leased vehicles, if the lease transaction does  
24 not require titling or registration of the vehicle, on the  
25 amount subject to tax as calculated pursuant to section 423.26,  
26 subsection 2.

27    Sec. 13. Section 423.5, subsection 4, Code 2024, is amended  
28 to read as follows:

29    4. The use tax rate of ~~six~~ five percent is reduced to ~~five~~  
30 four percent on January 1, 2051.

31    Sec. 14. Section 423.43, subsection 1, paragraph b, Code  
32 2024, is amended to read as follows:

33    *b.* Subsequent to the deposit into the general fund of the  
34 state and after the transfer of such revenues collected under  
35 chapter 423B, the department shall transfer ~~one-sixth~~ one-fifth

1 of such remaining revenues to the secure an advanced vision for  
2 education fund created in [section 423F.2](#). This paragraph is  
3 repealed January 1, 2051.

4 Sec. 15. EFFECTIVE DATE. This division of this Act takes  
5 effect January 1, 2025.>

6 2. Title page, line 2, by striking <individual and alternate  
7 income tax rates> and inserting <the state sales and use tax>

8 3. By renumbering as necessary.

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SCHEETZ of Linn