

Senate File 2442

H-8390

1 Amend Senate File 2442, as passed by the Senate, 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. _____. 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 Sec. _____. Section 423.2, subsection 4, paragraph a, Code
2 2024, is amended to read as follows:

3 a. ~~A tax of six percent at a rate specified in subsection~~
4 12 is imposed upon the sales price derived from the operation
5 of all forms of amusement devices and games of skill, games of
6 chance, raffles, and bingo games as defined in [chapter 99B](#), and
7 card game tournaments conducted under [section 99B.27](#), that are
8 operated or conducted within the state, the tax to be collected
9 from the operator in the same manner as for the collection of
10 taxes upon the sales price of tickets or admission as provided
11 in [this section](#). Nothing in [this subsection](#) shall legalize any
12 games of skill or chance or slot-operated devices which are now
13 prohibited by law.

14 Sec. _____. Section 423.2, subsection 5, Code 2024, is amended
15 to read as follows:

16 5. There is imposed a tax ~~of six percent at a rate specified~~
17 in subsection 12 upon the sales price from the furnishing of
18 services as defined in [section 423.1](#).

19 Sec. _____. Section 423.2, subsection 7, paragraph a,
20 unnumbered paragraph 1, Code 2024, is amended to read as
21 follows:

22 A tax ~~of six percent at a rate specified in subsection 12~~
23 is imposed upon the sales price from the sales, furnishing, or
24 service of solid waste collection and disposal service.

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

27 a. ~~A tax of six percent at a rate specified in subsection~~
28 12 is imposed on the sales price from sales of bundled
29 transactions. For the purposes of [this subsection](#), a “*bundled*
30 *transaction*” is the retail sale of two or more distinct and
31 identifiable products, except real property and services to
32 real property, which are sold for one nonitemized price. A
33 “*bundled transaction*” does not include the sale of any products
34 in which the sales price varies, or is negotiable, based on
35 the selection by the purchaser of the products included in the

1 transaction.

2 Sec. _____. 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. _____. 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. _____. Section 423.2, subsection 12, Code 2024, is
2 amended by striking the subsection and inserting in lieu
3 thereof the 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. _____. 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. _____. 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. _____. 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. _____. 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. _____. 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. ____ . 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.

SCHEETZ of Linn