

SENATE FILE _____
BY JOHNSON

A BILL FOR

1 An Act providing a sales tax exemption for the sale of horses.
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 423.3, subsection 14, Code 2015, is
2 amended to read as follows:

3 14. The sales price from the ~~sales of horses, commonly known~~
4 ~~as draft horses, when purchased for use and so used as draft~~
5 sale of horses.

6 EXPLANATION

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

9 Currently, Iowa law exempts the sale of only draft horses
10 from the sales tax. This bill exempts sales of all horses from
11 the sales tax.

12 By operation of Code section 423.6, an item exempt from the
13 imposition of the sales tax is also exempt from the use tax
14 imposed in Code section 423.5.