

SENATE FILE _____
BY QUIRMBACH

A BILL FOR

1 An Act extending the period of time for collecting sales tax
2 for deposit in the secure an advanced vision for education
3 fund.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 423.2, subsection 11, paragraph b,
2 subparagraph (3), Code 2017, is amended to read as follows:

3 (3) Transfer one-sixth of the remaining revenues to the
4 secure an advanced vision for education fund created in section
5 423F.2. This subparagraph (3) is repealed ~~December 31, 2029~~
6 effective January 1, 2050.

7 Sec. 2. Section 423.2, subsection 14, Code 2017, is amended
8 to read as follows:

9 14. The sales tax rate of six percent is reduced to five
10 percent on January 1, ~~2030~~ 2050.

11 Sec. 3. Section 423.5, subsection 5, Code 2017, is amended
12 to read as follows:

13 5. The use tax rate of six percent is reduced to five
14 percent on January 1, ~~2030~~ 2050.

15 Sec. 4. Section 423.43, subsection 1, paragraph b, Code
16 2017, is amended to read as follows:

17 b. Subsequent to the deposit into the general fund of
18 the state and after the transfer of such revenues collected
19 under chapter 423B, the department shall transfer one-sixth of
20 such remaining revenues to the secure an advanced vision for
21 education fund created in section 423F.2. This paragraph is
22 repealed ~~December 31, 2029~~ effective January 1, 2050.

23 Sec. 5. Section 423F.6, Code 2017, is amended to read as
24 follows:

25 **423F.6 Repeal.**

26 This chapter is repealed ~~December 31, 2029~~ effective January
27 1, 2050.

28 EXPLANATION

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

31 Code section 423.2 imposes a state tax of 6 percent upon
32 the sales price of all sales of tangible personal property,
33 consisting of goods, wares, merchandise, and other items
34 designated by statute, sold at retail in the state to
35 consumers, except as otherwise provided by Code chapter 423.

1 Generally, by operation of law, a sale subject to the sales
2 tax is also subject to the use tax. Following the transfer
3 of amounts required by statute, if applicable, one-sixth of
4 the remaining state sales tax revenue from the 6 percent tax
5 is transferred to the secure an advanced vision for education
6 (SAVE) fund created in Code section 423F.2. Moneys in the SAVE
7 fund are allocated to school districts on a per pupil basis to
8 be used for infrastructure and property tax reduction purposes
9 specified in Code chapter 423F. Under current law, the sales
10 tax rate of 6 percent is reduced to 5 percent on January 1,
11 2030, and Code chapter 423F, along with other corresponding
12 provisions, is repealed December 31, 2029.

13 This bill extends the 6 percent sales tax rate, the
14 allocation to the SAVE fund, and the statutory repeal of Code
15 chapter 423F until January 1, 2050.