

FILED JAN 28 1974

Reprinted 2/1/74  
SENATE FILE 1055

By COMMITTEE ON WAYS AND MEANS

Passed Senate, Date 1-31-74 (265) Passed House, Date \_\_\_\_\_  
Vote: Ayes 46 Nays 2 Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

## A BILL FOR

1 An Act exempting food and prescription drugs from the sales  
2 and use tax.

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

4 Section 1. Section four hundred twenty-two point forty-  
5 five (422.45), Code 1973, as amended by Acts of the Sixty-  
6 fifth General Assembly, 1973 Session, chapter one hundred  
7 fifty-three (153), section fourteen (14), and chapter two  
8 hundred forty-seven (247), section one (1), is amended by  
9 adding the following new subsections:

10 NEW SUBSECTION. Food products for human consumption.  
11 "Food products" include, but are not limited to, cereals and  
12 cereal products, milk and milk products, oleomargarine, meat  
13 and meat products, fish and fish products, egg and egg  
14 products, vegetables and vegetable products, fruit, fruit  
15 products and fruit juices, spices and salt, suger and sugar  
16 products other than candy and confectionery; coffee and coffee  
17 substitutes, tea, cocoa and cocoa products other than candy  
18 and confectionery.

19 "Food products" do not include, but are not limited to,  
20 spirituous, malt, or vinous liquors, soft drinks, sodas or  
21 beverages; medicines, except by prescription, tonics, vita-  
22 mins, and other dietary supplements; or water, mineral water,  
23 carbonated water or ice. Food products also do not include  
24 meals on or off the premises of the retailer or drinks or  
25 foods furnished, prepared or served for consumption at tables,

1 chairs or counters or from trays, glasses, dishes or other  
2 tableware provided by the retailer. The sale of a meal con-  
3 sisting of any of the items defined herein ordinarily sold  
4 for immediate consumption on or off the premises of the re-  
5 tailer is a taxable sale even though such products are sold  
6 on a "take out" or "to go" order and are actually packaged  
7 or wrapped and taken from the premises.

8 "Food products" also do not include food sold through  
9 vending machines.

10 NEW SUBSECTION. Prescription drugs, as defined in  
11 subsection ten (10) of section one hundred fifty-five point  
12 three (155.3) of the Code, if dispensed for human consump-  
13 tion by a registered pharmacist.

14 EXPLANATION

15 This bill exempts sales of food products for human con-  
16 sumption and prescription drugs from the sales and use tax.

17  
18  
19  
20

SENATE FILE 1055  
FISCAL NOTE

Date prepared January 30, 1974

Requested by Ways and Means Committee.

Prepared in regard to Senate File 1055 - An Act  
exempting food and prescription drugs from the sales and  
use tax. Following is the fiscal effect in dollars of the  
legislative proposal as required by Senate Rule 31.

Receipts from the sales and use tax would decrease by  
31 to 33 million dollars per year if food and prescription  
drugs were exempt from the tax.

Filed  
January 30, 1974

GERRY D. RANKIN  
Legislative Fiscal Director

32  
33  
34  
35

February 1, 1974

*How Ways and Means 2/4 Pass per 2151 2/8*

SENATE FILE 1055

BY COMMITTEE ON WAYS AND MEANS

SENATE AMENDMENTS  
SHOWN IN BOLD FACE

(AS PASSED BY THE SENATE)

*per conference  
committee Report*

Passed Senate, Date 4-29-74 (1706) Passed House, Date 2-14-74 (457)

Vote: Ayes 36 Nays 13 Vote: Ayes 71 Nays 28

Approved 5-30-74

*Motion to reconsider filed and lost 2/17 (458)  
Passed House 5-1-74 (2274), 77-20*

*Conference Committee appointed  
3/7 (674) 3/6 (798)  
M. Carney Board  
Curtis Craft  
Murray Council  
Err. Dunlop  
Radger Menninger*

# A BILL FOR

- 1 An Act exempting the gross receipts from the sale of food,
- 2 **prosthetic devices**, and prescription drugs from the sales
- 3 and use tax.
- 4 *Be It Enacted by the General Assembly of the State of Iowa:*
- 5 Section 1. Section four hundred twenty-two point forty-
- 6 five (422.45), Code 1973, as amended by Acts of the Sixty-
- 7 fifth General Assembly, 1973 Session, chapter one hundred
- 8 fifty-three (153), section fourteen (14), and chapter two
- 9 hundred forty-seven (247), section one (1), is amended by
- 10 adding the following new subsections:
- 11 **NEW SUBSECTION.** Gross receipts from the sale of food
- 12 products for human consumption. "Food products" include,
- 13 but are not limited to, cereals and cereal products, milk
- 14 and milk products, oleomargarine, meat and meat products,
- 15 fish and fish products, eggs and egg products, vegetables
- 16 and vegetable products, fruit, fruit products and fruit
- 17 juices, spices and salt, sugar and sugar products other
- 18 than candy and confectionery; coffee and coffee substitutes,
- 19 tea, cocoa and cocoa products other than candy and con-
- 20 fectionery.
- 21 "Food products" do not include alcoholic liquor or
- 22 beer as defined in subsections eight (8) and nine (9) of
- 23 section one hundred twenty-three point three (123.3) of
- 24 the Code, soft drinks, sodas or beverages; medicines, except

1 by prescription; tonics, vitamins and other dietary  
2 supplements; or water, mineral water, carbonated water  
3 or ice. Food products do not include meals prepared  
4 for immediate consumption on or off the premises of  
5 the retailer. "Food products" do not include food sold  
6 through vending machines.

7 *NEW SUBSECTION.* The gross receipts from the sale of  
8 prescription drugs, as defined in subsection ten (10)  
9 of section one hundred fifty-five point three (155.3) of  
10 the Code, if dispensed for human consumption by a register-  
11 ed pharmacist licensed under chapter one hundred fifty-  
12 five (155) of the Code, physician and surgeon licensed  
13 under chapter one hundred forty-eight (148) of the Code,  
14 osteopath licensed under chapter one hundred fifty (150)  
15 of the Code, and osteopathic physician and surgeons  
16 licensed under chapter one hundred fifty A (150A) of the  
17 Code, dentists licensed under chapter one hundred fifty-  
18 three (153) of the Code, and podiatrists licensed under  
19 chapter one hundred forty-nine (149) of the Code.

20 *NEW SUBSECTION.* Gross receipts from the sale of  
21 prosthetic devices.

22 **CORRECTED EXPLANATION**

23 This bill exempts the gross receipts from the sale  
24 of food, prosthetic devices, and prescription drugs from  
25 the sales and use tax.

S-2119

1 Amend Senate File 1055 as follows:

2 1. Page 2, by inserting after line 13 the following  
3 new subsection:

4 NEW SUBSECTION. Gross receipts from the sales,  
5 furnishing, or service of natural gas, electricity,  
6 and heating fuel to owners of single family or multi-  
7 family dwelling units used for residential purposes.

8 2. Amend the title, page 1, line 1, by inserting  
9 after the word "food" the words ", utility services,".

S-2119 Filed and lost  
January 31, 1974

By SCHABEN

S-2121

1 Amend Senate File 1055 as follows:

2 1. Page 2, by inserting the following new sub-  
3 section after line 13:

4 NEW SUBSECTION. The gross receipts from  
5 sale of tangible personal property to and the  
6 services rendered, performed, or furnished for a  
7 voluntary nonprofit hospital.

8 2. Page 1, line 1 by inserting after the  
9 word "food" the words ", tangible personal  
10 property to and the services rendered, performed,  
11 or furnished for a voluntary nonprofit hospital,".

S-2121 Filed and lost  
January 31, 1974

By PALMER, BLOUIN and  
DODERER

S-2122

1 Amend the Schaben amendment S-2119 to Senate  
2 File 1055, line 6, by striking the words "owners  
3 of" and inserting in lieu thereof the words  
4 "consumers living in".

S-2122 Filed and lost  
January 31, 1974

By COLEMAN and GLUBA

S-2118

1 Amend amendment S-2109 to Senate File 1055 as  
2 follows:

- 3 1. Line 4, by striking the word "Gross" and inserting  
4 in lieu thereof the words "Two-thirds of the gross".  
5 2. Line 5, after the word "consumption" insert the  
6 words "and the retailer may retain one-third of such  
7 receipts for the cost in compliance with this subsection".

S-2118 Filed and withdrawn  
January 31, 1974

By HEYING

S-2120

1 Amend Senate File 1055 as follows:

2 1. Page 2, by adding the following section after line 13:

3 Sec. \_\_\_\_\_. Section four hundred twenty-two  
4 point forty-three (422.43), unnumbered paragraph nine  
5 (9), Code 1973, is amended to read as follows:

6 The following enumerated services shall be  
7 subject to the tax herein imposed on gross taxable  
8 services: Alteration and garment repair; armored  
9 car; automobile repair; battery, tire and allied;  
10 investment counseling (excluding investment services  
11 of trust departments;) bank service charges; barber  
12 and beauty; boat repair; car wash and wax; carpentry;  
13 roof, shingle, and glass repair; dance schools and  
14 dance studios; dry cleaning, pressing, dyeing, and  
15 laundering, except self-service laundries; electrical  
16 repair and installation; engraving, photography,  
17 and retouching; equipment rental; excavating and grad-  
18 ing; farm implement repair of all kinds; flying  
19 service; furniture, rug, upholstery repair and  
20 cleaning; fur storage and repair; golf and country  
21 clubs and all commercial recreation; house and  
22 building moving; household appliance, television,  
23 and radio repair; jewelry and watch repair; machine  
24 operator; machine repair of all kinds; motor repair  
25 motorcycle, scooter, and bicycle repair; oilers and  
26 lubricators; office and business machine repair;

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1 painting, papering, and interior decorating;  
2 parking lots; pipe fitting and plumbing; wood  
3 preparation; private employment agencies; printing  
4 and binding; sewing and stitching; shoe repair and  
5 shoeshine; storage warehouse and storage locker;  
6 telephone answering service; test laboratories; ter-  
7 mite, bug, roach, and pest eradicators; tin and sheet  
8 metal repair; turkish baths, massage, and reducing  
9 salons; vulcanizing, recapping, and retreading;  
10 warehouse; weighing; welding; well drilling;  
11 wrapping, packing, and packaging of merchandise other  
12 than processed meat, fish, fowl and vegetables;  
13 wrecking service; wrecker and towing.  
14 2. Page 1, line 2 by inserting after the word  
15 "tax" the words "and relating to the taxation of  
16 self-service laundries".

S-2120 Filed and lost  
January 31, 1974

By SCHABEN

S-2112

1 Amend Senate File 1055 by striking everything  
2 after the enacting clause and inserting in lieu  
3 thereof the following:

4 "Section 1. NEW SECTION. Every resident  
5 individual shall be entitled to a sales tax refund  
6 for each taxable year with respect to himself  
7 and each of the persons for whom he would be  
8 entitled to claim as a personal exemption for  
9 purposes of the personal income tax, whether or  
10 not such resident individual is required to file  
11 a personal income tax return or pay such tax.

12 The amount of refund shall be twelve dollars  
13 for each resident individual and for each person for  
14 whom he is entitled to claim a personal exemption.

15 The amount of the refund provided for in this  
16 section shall be allowed as a credit against the  
17 personal income tax imposed under this chapter,  
18 provided the resident individual claims the refund  
19 on his income tax return. If the income tax due a  
20 resident individual shown by his tax return is less  
21 than the full amount of the refund to which he is  
22 entitled under this section, the excess of the refund  
23 over the income tax otherwise due shall be refunded  
24 to him by the department of revenue.

25 If any resident individual entitled to a refund

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1 under this section is not otherwise required to file  
2 an income tax return, the refund to which he is  
3 entitled shall be refunded to him upon furnishing  
4 the department of revenue with proof of his taxable  
5 income and the number of his personal exemptions.

6 For the purposes of this section, the term  
7 'resident individual' is defined as a person who has  
8 resided in the state of Iowa for the full taxable  
9 year. The term 'taxable income' shall have the same  
10 meaning as defined in section four hundred twenty-  
11 two point four (422.4), of the Code. The term  
12 'personal exemption' shall have the same meaning as  
13 defined in section four hundred twenty-two point  
14 twelve (422.12), of the Code.

15 The department of revenue shall make all rules  
16 and regulations with respect to the refunds for this  
17 section, including the manner and requirements for  
18 claiming credit for or refund of the amount thereof  
19 in the same manner as state income tax refunds, and  
20 in accordance with the provisions of sections four  
21 hundred twenty-two point sixteen (422.16) and four  
22 hundred twenty-two point seventy-four (422.74), of the  
23 Code.

24 Sec. 2. NEW SECTION. REFERENDUM.

25 The sales tax refund shall not be repealed unless

Page 3

1 so voted by a referendum."

S-2112 Filed *Revised out of order* BY RODGERS, PALMER, SCOTT,  
January 30, 1974 *1/31* GLUBA, HEYING, GALLAGHER,  
*Motion to suspend rules* PRIEBE, WILLITS and KENNEDY

S-2110

1 Amend Senate File 1055 as follows:  
2 Page 1, line 1, after the word "exempting" insert the  
3 words "the gross receipts from the sale of".

S-2110 Filed - *adopted 1/31* By ORR, LAMBORN and SHAFF  
January 30, 1974

S-2111

1 Amend Senate File 1055, page 2, by inserting after line  
2 13 the following:  
3 Sec. 2. This Act shall take effect and be in force on  
4 April 1, 1974, after its publication in the Grinnell  
5 Herald-Register, a newspaper published in Grinnell, Iowa,  
6 and in The Tama News-Herald, a newspaper published in  
7 Tama, Iowa.

S-2111 Filed - *Last 1/31* By ORR  
January 30, 1974

S-2113

1 Amend Senate File 1055 as follows:  
2 1. Page 1, by striking lines 10 through 25 and  
3 inserting in lieu thereof the following:  
4 NEW SUBSECTION. Gross receipts from the sale of any  
5 food or food product for human consumption, except  
6 alcoholic beverages and tobacco, which is not prepared  
7 for immediate consumption on or off the premises.  
8 2. Page 2, by striking lines 1 through 9.

S-2113 Filed - *Withdrawn 1/31* By RODGERS, GLUBA, KINLEY,  
January 30, 1974 BLOUIN, SCOTT, GALLAGHER,  
BERGMAN, NOLIN, KENNEDY,  
HANSEN, RAMSEY, PRIEBE,  
HEYING, BRILES, JUNKINS,  
SCHABEN, TIEDEN, WILLITS  
and TAYLOR

S-2116

1 Amend Senate File 1055 as follows:  
2 1. Page 2, by inserting after line 13 the following:  
3 NEW SUBSECTION. Gross receipts from the sale of  
4 prosthetic devices.  
5 2. Amend the title, page 1, line 1, by inserting  
6 after the word "food" the words ", prosthetic devices,".

S-2116 Filed and adopted By KINLEY  
January 31, 1974

S-2117

1 Amend the Orr, et al., amendment S-2109 to Senate  
2 File 1055, by striking lines 4 through 23 on Page  
3 1 and inserting in lieu thereof the following:  
4 NEW SUBSECTION. Gross receipts from the sale of  
5 food or food products for human consumption, except  
6 alcoholic beverages and tobacco, which is not pre-  
7 pared for immediate consumption on or off the  
8 premises.

S-2117 Filed and lost By RODGERS  
January 31, 1974

1 Amend Senate File 1055 as amended, passed, and re-  
2 printed by the Senate as follows:

3 1. By striking everything after the enacting clause  
4 and inserting in lieu thereof the following:

5 Sec. 18. Chapter four hundred twenty-two (422),  
6 division two (II), Code 1973, is amended by adding the  
7 following new section:

8 NEW SECTION. 1. In addition to the other provisions  
9 of this chapter, every resident individual shall be  
10 entitled to a sales tax refund for each taxable year  
11 with respect to himself and each of the persons for  
12 whom he would be entitled to claim as a personal  
13 exemption for purposes of the personal income tax  
14 imposed under division two (II) of this chapter, whether  
15 or not such resident individual is required to file a  
16 personal income tax return or pay such tax.

17 2. The amount of refund shall be computed in  
18 accordance with the following table:

19 If the net income of the	The refund allowed to resi-
20 resident individual and	dent individual for himself
21 the exemptions to which	and for each person for whom
22 he is entitled for the	he is entitled to claim a
23 taxable year is	personal exemption is:
24 Under \$4,000	\$15.
25 Over \$4,000, but under \$5,000	14.
26 Over \$5,000, but under \$5,500	13.
27 Over \$5,500, but under \$6,000	12.
28 Over \$6,000, but under \$6,500	11.
29 Over \$6,500, but under \$7,000	10.
30 Over \$7,000, but under \$7,500	9.
31 Over \$7,500, but under \$8,000	8.
32 Over \$8,000, but under \$8,500	7.
33 Over \$9,000, but under \$9,500	6.
34 Over \$10,000, but under \$10,500	5.
35 Over \$10,500	0.

36 3. The amount of the refund provided for in this  
37 section shall be allowed as a credit against the  
38 personal income tax imposed under this chapter, if  
39 the resident individual claims the refund on his in-  
40 come tax return required to be filed under section four  
41 hundred twenty-two point thirteen (422.13), Code of  
42 Iowa. If the income tax due a resident individual  
43 shown by his tax return is less than the full amount  
44 of the refund to which he is entitled under this  
45 section, the excess of the refund over the income tax  
46 otherwise due shall be refunded to him by the department  
47 of revenue.

48 4. If any resident individual entitled to a refund  
49 under this section is not otherwise required by section  
50 four hundred twenty-two point thirteen (422.13) of

51 the Code to file an income tax return, the refund to  
52 which he is entitled shall be refunded to him upon  
53 furnishing the department of revenue with proof of his  
54 taxable income and the number of his personal exemp-  
55 tions. The department of revenue shall develop a  
56 form for filing for the refund allowed under this  
57 subsection and shall publish a copy of the form at  
58 least six times between January first and April  
59 thirtieth of each year in newspapers of general circu-  
60 lation in this state and shall also make such form  
61 available in locations where state income tax forms  
62 are normally available.

63 5. For the purposes of this section, the term  
64 "resident individual" is defined as a person who has  
65 resided in the state for the full taxable year. The  
66 term "taxable income" shall have the same meaning as  
67 defined in section four hundred twenty-two point four  
68 (422.4), Code of Iowa. The term "personal exemption"  
69 shall have the same meaning as defined in section four  
70 hundred twenty-two point twelve (422.12), Code of Iowa.

71 2. Page 1, amend the title, line 1, by striking  
72 everything after the word "Act" and inserting in lieu  
73 thereof the words "providing a refund for sales and  
74 use taxes paid."

H--2204 Filed and lost  
February 14, 1974

By DUNTON of Keokuk  
KRAUSE of Palo Alto  
HUTCHINS of Guthrie  
CAFFREY of Polk

H--2203

1 Amend the amendment H-2178, which amends Senate  
2 File 1055 as amended, passed and reprinted by the  
3 Senate, as follows:  
4 1. Line 8, after the word "residential", add  
5 the word "heating".

H--2203 Filed and adopted  
February 14, 1974

By COCHRAN of Webster

H--2209

1 Amend amendment H 2204 to Senate File 1055 as  
2 passed by the Senate and reprinted as follows:  
3 1. In line 32 strike the figure "\$8,500" and insert  
4 i lieu thereof the figure "\$9,000".  
5 2. In line 33 strike the figure "\$9,500" and insert  
6 in lieu thereof the figure "\$10,000".

H--2209 Filed and adopted  
February 14, 1974

By DUNTON of Keokuk

H--2210

1 Amend Senate File 1055 as passed by the Senate  
2 and reprinted as follows:  
3 Page 1, line 2 by adding after the word "prosthetic"  
4 the words "and orthopedic".

H--2210 Filed and adopted  
February 14, 1974

By NIELSEN of Polk

H—2200

1 Amend amendment H-2176 to Senate File 1055 as  
2 passed by the Senate and reprinted, as follows:

3 1. By inserting after line 21 the following:  
4 "Sec. 2. Acts of the 65th General Assembly,  
5 1973 session, chapter 202, section 4 is amended  
6 to read as follows:

7 Sec. 4. Notwithstanding the provisions of  
8 subsection four (4) of section four hundred  
9 twenty-two point sixty-nine (422.69) of the Code,  
10 during the last quarter of the fiscal year ending  
11 June 30, 1975 an amount equal to ten percent of  
12 the net receipts ~~from two-thirds~~ of the sales  
13 tax collected under division four (IV) of chapter  
14 four hundred twenty-two (422) of the Code, less  
15 any amount which may be transferred by law during  
16 such fiscal year for motor vehicle registration  
17 plates, shall be transferred to the road use tax  
18 fund only if the unencumbered balance in the  
19 general fund of the state on June 30, 1973, com-  
20 puted on a basis consistent with prior years, plus  
21 the receipts to the general fund of the state  
22 during the fiscal year beginning July 1, 1973 and  
23 ending June 30, 1974, as certified by the state  
24 comptroller to the governor, did total eight  
25 hundred eighty-three million (883,000,000) dollars  
26 or more. If the unencumbered balance in the  
27 general fund of the state on June 30, 1973, plus  
28 the total receipts to the general fund of the  
29 state during the fiscal year beginning July 1,  
30 1973 and ending June 30, 1974, did not total eight  
31 hundred eighty-three million (883,000,000) dollars  
32 or more, funds which would otherwise be  
33 deposited in the road use tax fund during the last  
34 quarter of the fiscal year beginning July 1,  
35 1974 and ending June 30, 1975, pursuant to sub-  
36 section four (4) of section four hundred twenty-  
37 two point sixty-nine (422.69) of the Code, shall  
38 be credited to the general fund of the state."

H—2200 Filed *Anderson*  
February 13, 1974

By ANDERSON of Ringgold  
BORTELL of Madison

H—2199

1 Amend the amendment H-2178, which amends Senate  
2 File 1055 as amended, passed and reprinted by the Senate,  
3 as follows:

4 1. Line 6 after the word "residential", add the word  
5 "heating".

H—2199 Filed *Cochran*  
February 13, 1974

By COCHRAN of Webster

H-2194

1 Amend Senate File 1055 as amended, passed, and re-  
2 printed by the Senate, as follows:

3 1. Page 2, by inserting after line 21 the follow-  
4 ing new subsection:

5 NEW SUBSECTION. Gross receipts from the sales,  
6 furnishing, or service of natural gas, electricity,  
7 and heating fuel to persons sixty-five years of age  
8 and older living in single family or multi-family  
9 dwelling units used for residential purposes.

10 2. Amend the title, page 1, line 2, by inserting  
11 after the word "devices" the words ", utility  
12 services,".

H-2194 Filed and withdrawn  
February 14, 1974

By HORN of Linn  
AVENSON of Fayette  
FITZGERALD of Webster  
RAPP of Black Hawk  
MIDDLESWART of Warren  
COCHRAN of Webster  
MILLER of Buchanan  
NORPEL of Jackson  
HARPER of Davis  
HUSAK of Tama  
HIGGINS of Scott  
CUSACK of Scott  
PATCHETT of Johnson  
NEWHARD of Jones

H-2196

1 Amend Senate File 1055, as passed by the Senate  
2 and reprinted as follows,

3 1. By adding the following new section:

4 Sec. 2. Section four hundred twenty-two point  
5 forty three (422.43), unnumbered paragraph one (1),  
6 Code 1973, is amended to read as follows:  
7 422.43 Tax imposed. There is hereby imposed a  
8 tax of three percent upon the gross receipts from all  
9 sales of tangible personal property, consisting of  
10 goods, wares, or merchandise, except as otherwise  
11 provided in this division, sold at retail in the state  
12 to consumers or users; a like rate of tax upon the  
13 gross receipts from the sales, furnishing or service  
14 of gas, electricity, water (excluding water for house-  
15 hold use), heat, and communication service, including  
16 the gross receipts from such sales by any municipal  
17 corporation furnishing gas, electricity, water, heat,  
18 and communication service to the public in its pro-  
19 prietary capacity, except as otherwise provided in  
20 this division, when sold at retail in the state to  
21 consumers or users; and a like rate of tax upon the  
22 gross receipts from all sales of tickets or admissions  
23 to places of amusement, athletic events including  
24 those of educational institutions, fairs; and a like  
25 rate of tax upon that part of private club membership  
26 fees or charges paid for the privilege of participat-  
27 ing in any athletic sports provided club members.

28 2. Amend the title, page 1, by inserting the words  
29 "and water" after the word "food".

H-2196 Filed and  
ruled not germane  
February 13, 1974

By ANDERSON of Ringgold

H—2185

1 Amend Senate File 1055, amendment H-2178, line 6 by  
2 striking the word "electricity,".

H—2185 Filed and lost  
February 13, 1974

By AVENSON of Fayette

H—2186

1 Amend Senate File 1055 as passed by the  
2 Senate and reprinted as follows:  
3 1. Page 2, line 20, by inserting after  
4 the word "of" the words "wheel chair, crutches  
5 and".  
6 2. Amend the title, by inserting at the  
7 end of line 1 the words "wheel chairs, crutches  
8 and".

H—2186 Filed and withdrawn  
February 13, 1974

By KRAUSE of Palo Alto

H—2187

1 Amend Senate File 1055, as amended, passed,  
2 and reprinted by the Senate, by striking line 20  
3 on page 1 and inserting in lieu thereof the  
4 following:  
5 "fectionery; and seeds and plants for use in  
6 gardens to produce food for human consumption."

H—2187 Filed and withdrawn  
February 13, 1974

By PATCHETT of Johnson

H—2188

1 Amend the Byerly amendment H-2183, to Senate File  
2 1055, as passed by the Senate and reprinted as follows:  
3 1. Line 11, by inserting after the comma the  
4 following: "who did not file an Iowa income tax form,".  
5 2. Line 24, by inserting after the word  
6 "dependents" the following: ", who did not file an  
7 Iowa income tax form,".  
8 3. By inserting after line 32 the following:  
9 "4. No person may file for a rebate if they have  
10 been claimed on any other persons income tax form  
11 or on a form under this section.

H—2188 Filed and adopted  
February 13, 1974

By CONNORS of Polk  
DOYLE of Woodbury

H—2193

1 Amend Senate File 1055, page 1, by adding at  
2 the end of line 24 the words "aspirin or".

H—2193 Filed and  
ruled out of order  
February 13, 1974

By LIPSKY of Linn

H—2195

1 Amend Senate File 1055 as passed by the Senate  
2 and reprinted, page 2, by adding at the end of  
3 line 7 the words "aspirin and".

H—2195 Filed and lost  
February 13, 1974

By LIPSKY of Linn

H-2183

1 Amend Senate File 1055, as amended, passed, and re-  
2 printed by the Senate, as follows:

3 1. Page 1, by striking everything after the  
4 enacting clause and inserting in lieu thereof the  
5 following:

6 Section 1. Section four hundred twenty-two point  
7 twelve (422.12), Code 1973, is amended by adding the  
8 following new subsection:

9 NEW SUBSECTION. For each head of household, hus-  
10 band, wife, or single individual, and each minor  
11 dependent, twelve dollars as an allowance for pur-  
12 chases of food and food products for human consumption  
13 and prescription drugs subject to the sales and use  
14 tax.

15 Sec. 2. Chapter four hundred twenty-two (422),  
16 Code 1973, is amended by adding to division four (IV)  
17 the following new section:

18 NEW SECTION. Every person who is not required to  
19 file a state income tax return under division two (II)  
20 of this chapter may receive a sales tax rebate of twelve  
21 dollars per year as an allowance for purchases of food  
22 and food products for human consumption and prescrip-  
23 tion drugs subject to the sales tax for himself and  
24 each of his dependents if he meets the following  
25 requirements:

26 1. He files a signed form with the department of  
27 revenue upon which he swears he has been a resident of  
28 this state since June thirtieth of the preceding  
29 calendar year.

30 2. He lists his social security number.

31 3. He identifies his dependents as defined in  
32 this chapter by name and age.

33 The department of revenue shall develop a form for  
34 filing for the rebate allowed under this section and  
35 shall publish a copy of the form at least six times  
36 between January first and April thirtieth of each year  
37 in newspapers of general circulation in this state  
38 and shall also make such form available in locations  
39 where state income tax forms are normally available.

40 Any person who files a false statement pursuant to  
41 this section shall upon conviction be punished for  
42 perjury as provided in section seven hundred twenty-  
43 one point one (721.1) of the Code.

44 2. Amend the title, page 1, by striking everything  
45 after the word "Act" in line 1 and inserting in lieu  
46 thereof the words "providing an income tax exemption  
47 and rebate on sales taxes paid for certain items."

H-2183 Filed <sup>Bill not germane</sup> and lost  
February 13, 1974

By BYERLY of Polk  
HARGRAVE of Johnson  
SCHROEDER of Pottawattamie  
LOGUE of Iowa  
BUTLER of Pottawattamie  
HANSEN of O'Brien  
DOYLE of Woodbury  
LIPPOLD of Black Hawk  
HUSAK of Tama  
WYCKOFF of Benton

CRABB of Crawford  
HUTCHINS of Guthrie  
MILLER of Calhoun  
KRAUSE of Kossuth  
PETERSON of Woodbury  
CONNORS of Polk

H-2181

1 Amend the Committee on Ways and Means amendment,  
2 H-2151, to Senate File 1055, as amended, passed, and  
3 reprinted by the Senate, page 1, line 5, by striking  
4 the word "confectionery" and inserting in lieu  
5 thereof the words "confections not otherwise exempt  
6 under this subsection".

H-2181 Filed and withdrawn By EGENES of Story  
February 13, 1974

H-2182

1 Amend Senate File 1055, as passed by the Senate  
2 and reprinted, as follows:  
3 Page 2, by inserting after line 21 the following:  
4 NEW SUBSECTION. The gross receipts from sale of  
5 supplies prescribed by physicians for in-home treat-  
6 ments for renal dialysis.

H-2182 Filed and withdrawn By CARR of Dubuque  
February 13, 1974

H-2184

1 Amend the Byerly, et al., amendment H-2183 to SFJ 1055  
2 as follows:  
3 1. By striking lines 6-9 and inserting in lieu  
4 thereof the following:  
5 "NEW SECTION. On the second Tuesday after the  
6 first ~~the first~~ Monday in June in each even-numbered  
7 year, the incumbent member of the House of Representa-  
8 tives shall distribute to each head of household, hus-".  
9 2. Line 11, by adding after the word "dependent"  
10 the words "within his district".  
11 3. By striking lines 15-47 and inserting in lieu  
12 thereof the following lines:  
13 2. Amend the title, page 1, by striking every-  
14 thing after the word "Act" in line 1 and inserting in  
15 lieu thereof the words "insuring re-election of all  
16 incumbent members of the House of Representatives."

H-2184 Filed and ruled out of order By KREAMER of Polk  
February 13, 1974

#### EXPLANATION

This is a corrective amendment and assures that recipients of the rebate understand each legislator's genuine concern that all citizens of Iowa share in the state's unprecedented surplus.

H—2178

1 Amend Senate File 1055 as amended, passed, and re-  
2 printed by the Senate, as follows:  
3 1. Page 2, by inserting after line 21 the following  
4 new subsection:  
5 NEW SUBSECTION. Gross receipts from the sales,  
6 furnishing, or service of natural gas, electricity,  
7 and heating fuel to consumers living in single family  
8 or multi-family dwelling units used for residential  
9 purposes.  
10 2. Amend the title, page 1, line 2, by inserting  
11 after the word "devices" the words ", utility  
12 services,".

H—2178 Filed,  
point of order raised,  
ruled germane, lost,  
reconsidered and pending  
February 13, 1974  
*Adopted as amended by 2203 2/17*

By AVENSON of Fayette  
FITZGERALD of Webster  
MILLER of Buchanan  
RAPP of Black Hawk  
MIDDLESWART of Warren  
WYCKOFF of Benton  
COCHRAN of Webster  
DUNTON of Keokuk  
HIGGINS of Scott  
SMALL of Johnson  
KRAUSE of Palo Alto  
NORPEL of Jackson  
HUSAK of Tama  
NEWHARD of Jones  
CUSACK of Scott  
BRUNOW of Appanoose  
HARPER of Davis  
PATCHETT of Johnson  
GRIFFEE of Chickasaw

H—2179

1 Amend Senate File 1055, as passed by the Senate  
2 and reprinted, page 2, line 21, by inserting after  
3 the word "prosthetic" the words "and orthopedic".

H—2179 Filed and adopted  
February 13, 1974

By CUSACK of Scott  
AVENSON of Fayette

H—2180

1 Amend Senate File 1055, as amended, passed, and  
2 reprinted by the Senate, as follows:  
3 1. Page 1, lines 17 and 18, by striking the words  
4 ", sugar and sugar products other than candy and  
5 confectionery".  
6 2. Page 1, by striking lines 19 and 20 and insert-  
7 ing in lieu thereof the words "tea; sugar, sugar prod-  
8 ucts, cocoa, and cocoa products other than candy and  
9 confections which are not cakes, pastries, cookies,  
10 preserves, ice cream, or confections sold for cooking  
11 and baking purposes."

H—2180 Filed and withdrawn  
February 13, 1974

By EGENES of Story  
DUNLAP of Story  
ROORDA of Jasper  
MONROE of Des Moines  
BRUNOW of Appanoose

H-2173

1 Amend Senate File 1055, as passed by the Senate  
2 and reprinted by striking lines 11 through 24 on page  
3 1 and lines 1 through 6 on page 2 and inserting in  
4 lieu thereof the following:

5 NEW SUBSECTION. Gross receipts from the sale of  
6 food or food products purchased by the consumer with  
7 food coupons issued by the Secretary of Agriculture  
8 of the United States pursuant to regulations in effect  
9 on the effective date of this Act.

H-2173 Filed *Withdrawn 2/13*  
February 12, 1974

By BUTLER of Pottawattamie

H-2176

1 Amend Senate File 1055 as passed by the Senate  
2 and reprinted, as follows:

3 1. By striking everything after the enacting  
4 clause and inserting in lieu thereof the following:

5 Section 1. The tax imposed at the rate of three  
6 percent under the provisions of sections four hundred  
7 twenty-two point forty-three (422.43), Code 1973, as  
8 amended by Acts of the Sixty-fifth General Assembly,  
9 1973 Session, chapter one hundred fifty-three (153),  
10 section thirteen (13), and four hundred twenty-three  
11 point two (423.2), Code 1973, shall be imposed at  
12 the rate of two and one-half percent for the fiscal  
13 year beginning July 1, 1974 and ending June 30, 1975.  
14 Effective July 1, 1975, the provisions of this Act  
15 shall not apply and the tax imposed at the rate of  
16 three percent imposed under sections four hundred  
17 twenty-two point forty-three (422.43), Code 1973, as  
18 amended by Acts of the Sixty-fifth General Assembly,  
19 1973 Session, chapter one hundred fifty-three (153),  
20 section thirteen (13) and four hundred twenty-three  
21 point two (423.2), Code 1973, shall apply.

22 2. Amend the title, page 1, by striking  
23 everything after the word "Act" and inserting in lieu  
24 thereof the words "to reduce the rate of the sales  
25 and use tax."

H-2176 Filed  
February 12, 1974

By ANDERSON of Ringgold  
BORTELL of Madison

H-2175

1 Amend the Committee on Ways and Means amendment  
2 (H-2151) to Senate File 1055 as amended, passed, and  
3 reprinted, as follows:

4 Line 13, after the word "insulin," insert the  
5 words "hypoglycemic agents,".

H-2175 Filed *Withdrawn 2/13*  
February 12, 1974

By EWING of Mahaska

H--2166

1 Amend Senate File 1055 as amended, passed, and  
2 reprinted by the Senate as follows:

3 1. Page 2, following line 21, insert the follow-  
4 ing:

5 NEW SUBSECTION. The gross receipts from the sale  
6 of tangible personal property and services to persons  
7 sixty-five years of age and older. The department  
8 shall, by rule adopted pursuant to chapter seventeen  
9 A (17A) of the Code, prescribe standards for proving  
10 the age of persons eligible for the exemption provided  
11 for in this subsection.

12 2. Page 1, amend the title, line 2, by inserting  
13 after the comma the words "tangible personal property  
14 and services to persons sixty-five years of age and  
15 older,".

H--2166 Filed - *Ruled out of order 2/13* By HORN of Linn  
February 12, 1974

H--2169

1 Amend Senate File 1055, as amended, passed, and  
2 reprinted by the Senate, as follows:

3 1. Page 1, by striking lines 11 through 24 and  
4 inserting in lieu thereof the following:

5 NEW SUBSECTION. Gross receipts from the sale of  
6 all foods for human consumption, including seeds and  
7 plants for use in gardens to produce food for human  
8 consumption, which are eligible for purchase with  
9 food coupons issued by the United States department  
10 of agriculture pursuant to regulations in effect on  
11 the effective date of this Act.

12 2. Page 2, by striking lines 1 through 6.

H--2169 Filed - *Adopted 2/13*  
February 12, 1974

By MENNENGA of Clinton  
PATCHETT of Johnson  
COCHRAN of Webster

H--2172

1 Amend Senate File 1055 as amended, passed, and re-  
2 printed as follows:

3 1. Page 2, after line 21, by inserting the follow-  
4 ing:

5 NEW SUBSECTION. The gross receipts from sale of  
6 tangible personal property to and the services  
7 rendered, performed, or furnished for a voluntary  
8 nonprofit hospital.

9 2. Page 1, line 2, after the comma insert the  
10 words "tangible personal property to and services  
11 rendered, performed, or furnished for a voluntary  
12 nonprofit hospital,".

H--2172 Filed - *Adopted 2/13*  
February 12, 1974

By MONROE of Des Moines

1 Amend Senate File 1055, as amended, passed, and re-  
2 printed by the Senate, as follows:  
3 1. Page 2, by inserting after line 21 the follow-  
4 ing new section:  
5 Sec. \_\_\_\_\_. Section four hundred twenty-two point  
6 fifty-two (422.52), Code 1973, is amended by adding  
7 the following new subsection:  
8 NEW SUBSECTION. When a return is filed and the taxes  
9 shown due thereon are paid in full on or before the due  
10 date as prescribed in section four hundred twenty-two  
11 point fifty-one (422.51) of the Code, the retailer  
12 shall be allowed a credit or discount equal to three  
13 percent of the sales shown due on the return. The  
14 credit or discount shall be allowed the retailer for  
15 prompt payment of the tax and as partial remuneration  
16 for collecting the tax, keeping the records, and  
17 promptly filing the returns required by this chapter.  
18 The maximum amount of credit or discount allowed to the  
19 retailer under this Act shall not exceed three hundred  
20 dollars for any one year.  
21 2. Amend the title, page 1, line 3, by inserting  
22 after the word "tax" the words "and providing a  
23 collection credit".

H-2140 Filed- *Withdrawn 2/13*  
February 7, 1974

By LIPSKY of Linn

H-2151

1 Amend Senate File 1055, as passed by the Senate  
2 and reprinted, as follows:  
3 1. Page 2, line 1, by inserting the following  
4 after the semicolon:  
5 "candy or confectionery; chewing gum;".  
6 2. Page 2, line 3, by inserting after the word  
7 "meals" the words "or food".  
8 3. Page 2, line 10, by inserting after the word  
9 "human" the words "use or".  
10 4. Page 2, by inserting the following new sub-  
11 section after line 19:  
12 NEW SUBSECTION. Gross receipts from the sale of  
13 insulin, hypodermic syringes, and diabetic testing  
14 materials for human use or consumption.  
15 5. Page 1, line 2 of the title, by inserting  
16 after the comma the words "diabetic treatment and  
17 testing materials,".

H-2151 Filed- <sup>1 and 2</sup> *Withdrawn 2/13*  
February 8, 1974 <sub>3, 4 and 5</sub> *adopted 2/13*

By COMMITTEE ON WAYS AND MEANS  
STANLEY of Muscatine, Chairman

H-2162

1 Amend Senate File 1055, as passed by the Senate  
2 and reprinted as follows:  
3 1. Page 2, by adding in line 21 after the word  
4 "devices" the words "and eyeglasses prescribed by a  
5 physician and surgeon licensed under chapter one  
6 hundred forty-eight (148) of the Code, an osteopathic  
7 physician and surgeon licensed under chapter one  
8 hundred fifty A (150A) of the Code, or an optometrist  
9 licensed under chapter one hundred fifty four (154)  
10 of the Code".  
11 2. Amend the title, page 1, line 2 by inserting  
12 after the word "devices" the word ", eyeglasses".

H-2162 Filed- *Withdrawn 2/13*  
February 12, 1974

By CRABB of Crawford  
PETERSON of Woodbury

H-2119

1 Amend Senate File 1055 as amended, passed, and re-  
2 printed by the Senate, as follows:

3 1. By striking everything after the enacting clause  
4 and inserting in lieu thereof the following:

5 Section 1. Section four hundred twenty-two point  
6 forty-three (422.43), unnumbered paragraphs one (1),  
7 two (2), seven (7), and eight (8), Code 1973, as  
8 amended by the Acts of the Sixty-fifth General Assembly,  
9 1973 Session, chapter one hundred fifty-three (153),  
10 section thirteen (13), is further amended to read as  
11 follows:

12 There is hereby imposed a tax of three two and one-  
13 half percent upon the gross receipts from all sales  
14 of tangible personal property, consisting of goods,  
15 wares, or merchandise, except as otherwise provided in  
16 this division, sold at retail in the state to consumers  
17 or users; a like rate of tax upon the gross receipts  
18 from the sales, furnishing or service of gas, electricity,  
19 water, heat, and communication service, including the  
20 gross receipts from such sales by any municipal corpora-  
21 tion furnishing gas, electricity, water, heat, and  
22 communication service to the public in its proprietary  
23 capacity, except as otherwise provided in this division,  
24 when sold at retail in the state to consumers or users;  
25 and a like rate of tax upon the gross receipts from all  
26 sales of tickets or admissions to places of amusement,  
27 athletic events including those of educational institu-  
28 tions, fairs; and a like rate of tax upon that part of  
29 private club membership fees or charges paid for the  
30 privilege of participating in any athletic sports pro-  
31 vided club members.

32 There is hereby imposed a tax of three two and one-  
33 half percent upon the gross receipts derived from the  
34 operation of all forms of amusement devices and games  
35 of skill, games of chance, raffles and bingo games as  
36 defined in this Act, and commercial amusement enter-  
37 prises operated or conducted within the state of Iowa,  
38 such tax to be collected from the operator in the same  
39 manner as is provided for the collection of taxes upon  
40 the gross receipts of tickets or admission as provided  
41 in this section.

42 The tax herein levied shall be computed and collected  
43 as hereinafter provided. The tax herein imposed shall  
44 be at the rate of three two and one-half percent.

45 There is hereby imposed, a tax of three two and one-  
46 half percent upon the gross receipts from the rendering,  
47 furnishing, or performing of services as defined in  
48 section 422.42.

49 Sec. 2. Section four hundred twenty-three point  
50 two (423.2), Code 1973, is amended to read as follows:

51            423.2 IMPOSITION OF TAX. An excise tax is hereby  
52 imposed on the use in this state of tangible personal  
53 property purchased for use in this state, at the rate  
54 of three two and one-half percent of the purchase price  
55 of such property. Said tax is hereby imposed upon every  
56 person using such property within this state until such  
57 tax has been paid directly to the county treasurer or  
58 department of public safety to a retailer, or to the  
59 department as hereinafter provided. An excise tax is  
60 hereby imposed on the use in this state of services  
61 enumerated in section 422.43 at the rate of three two  
62 and one-half percent. Said tax shall be applicable  
63 where services are rendered, furnished, or performed in  
64 this state or where the product or result of such service  
65 is used in this state. Such tax is imposed on every  
66 person using such services or the product of such  
67 services in this state until such user has paid such  
68 tax either to an Iowa use tax permit holder or has paid  
69 such tax to the department of revenue.  
70            2. Amend the title, page 1, by striking everything  
71 after the word "Act" and inserting in lieu thereof the  
72 words "to reduce the rate of the sales and use tax."

H-2119 Filed *Hitchhawn 2/13*  
February 6, 1974

By BORTELL of Madison

H-2116

1            Amend Senate File 1055 as amended, passed, and re-  
2 printed by the Senate as follows:  
3            1. Page 2, after line 21, by inserting the follow-  
4 ing:  
5            NEW SUBSECTION. Gross receipts from the sale of  
6 insulin, disposable syringes, and diabetic testing  
7 materials.  
8            2. Page 1, line 2, after the comma insert the  
9 words "diabetic treatment and testing materials,".

H-2116 Filed *Hitchhawn 2/13*  
February 6, 1974

By EWING of Mahaska  
CLARK of Dubuque

H-2121

1            Amend Senate File 1055, as amended, passed, and re-  
2 printed by the Senate, as follows:  
3            1. Page 1, by striking everything after the enacting  
4 clause and inserting in lieu thereof the following:  
5            Section 1. Section four hundred twenty-two point  
6 twelve (422.12), Code 1973, is amended by adding the  
7 following new subsection:  
8            NEW SUBSECTION. For each head of household, husband,  
9 wife, or single individual, and each minor dependent,  
10 ten dollars as an allowance for purchase of food and  
11 food products for human consumption and prescription  
12 drugs subject to the sales and use tax.  
13            2. Amend the title, page 1, by striking everything  
14 after the word "Act" in line 1 and inserting in lieu  
15 thereof the words "providing an income tax exemption."

H-2121 Filed *Hitchhawn 2/13*  
February 6, 1974

By SCHROEDER of Pottawattamie

H-2117

1 Amend Senate File 1055, as passed by the Senate  
2 and reprinted, as follows:

3 1. Page 2, by inserting after line 21, the  
4 following:

5 Sec. \_\_\_\_\_. Section four hundred twenty-two point  
6 fifty-two (422.52), Code 1973, is amended by adding  
7 the following new subsection.

8 NEW SUBSECTION. When a return is filed and the  
9 taxes shown due thereon are paid in full on or before  
10 the date due as prescribed in section four hundred  
11 twenty-two point fifty-one (422.51), of the Code, the  
12 retailer shall be allowed a credit or discount equal  
13 to three percent of the sales tax shown due by the  
14 return on the amount due up to one thousand dollars  
15 and an additional credit or discount equal to two  
16 percent of the sales tax shown due by the return on  
17 the amount due in excess of one thousand dollars up  
18 to four thousand dollars and one percent on all  
19 amounts due in excess of four thousand dollars.  
20 This credit or discount shall be allowed to the  
21 retailer for prompt payment of the tax and as  
22 partial remuneration for the costs of collecting the  
23 tax and record keeping required by this chapter.

24 2. By numbering sections to conform to this  
25 amendment.

26 3. Amend the title on page 1, line 3, by insert-  
27 ing after the word "tax" the words "and providing a  
28 sales tax credit".

H-2117 Filed - *Ruled not germane 2/13* By FERGUSON of Carroll  
February 6, 1974

#### EXPLANATION OF AMENDMENT

This amendment provides that retailers collecting and promptly paying sales tax shall be allowed a discount of 3% on amounts of sales tax of \$1000 or less; 2% on amounts above \$1000 to \$4000; and 1% on all amounts in excess of \$4000, to cover the cost of collecting the sales tax.

FISCAL NOTE  
SENATE FILE 1055

Date prepared February 13, 1974

Requested by Representative Avenson.  
Prepared in regard to Amendment H-2178, to amend  
Senate File 1055. Following is the fiscal effect in dollars  
of the legislative proposal as required by Joint Rule 16.  
According to the Department of Revenue report for the  
fiscal year ended June 30, 1973:

Sales tax on sales by public utilities of  
electricity, gas and water, sale of heat  
was \$14,930,000

Sales tax on fuel and ice, bottled gas,  
propane gas, L.P. gas, coal and fireplace  
wood was 1,212,000  
\$16,142,000

We are unable to determine what portion of the above  
sales tax collections were attributable to heating fuel.

Filed  
February 13, 1974

GERRY D. RANKIN  
Legislative Fiscal Director

FISCAL NOTE  
SENATE FILE 1055

Date prepared February 13, 1974

Requested by Representative Carr.  
Prepared in regard to H-2182 Amendment to Senate File  
1055. Following is the fiscal effect in dollars of the  
legislative proposal as required by Joint Rule 16.  
H-2182 amends Senate File 1055 to exempt gross receipts  
from sale of supplies prescribed by a physician for in-home  
treatment of renal dialysis.  
This amendment could reduce sales and use tax receipts  
approximately \$10,000 a year.

Filed  
February 13, 1974

GERRY D. RANKIN  
Legislative Fiscal Director

CORRECTED FISCAL NOTE  
AMENDMENT H-2119 TO SENATE FILE 1055

Date prepared February 12, 1974

Requested by Representative Stanley.

Prepared in regard to Amendment H-2119 to Senate File 1055 as amended, passed and reprinted by the Senate to reduce the sales and use tax from 3% to 2-1/2%. Following is the fiscal effect in dollars of the legislative proposal as required by Joint Rule 16.

The annual decrease in sales and use tax revenue would be approximately \$47,750,000.

Filed  
February 12, 1974

GERRY D. RANKIN  
Legislative Fiscal Director

FISCAL NOTE  
SENATE FILE 1055

Date prepared February 13, 1974

Requested by Representative Lipsky.

Prepared in regard to Amendment H-2140 to Senate File 1055. Following is the fiscal effect in dollars of the legislative proposal as required by Joint Rule 16.

Amendment H-2140 to Senate File 1055 allows a credit to each retailer filing a sales tax return.

This amendment would reduce the sales tax receipts approximately \$4,100,000 a year.

Filed  
February 13, 1974

GERRY D. RANKIN  
Legislative Fiscal Director

FISCAL NOTE  
AMENDMENT H-2151 TO SENATE FILE 1055

Date prepared February 12, 1974

Requested by Representative Stanley.

Prepared in regard to COMMITTEE ON WAYS AND MEANS AMENDMENT (H-2151) to Senate File 1055 as passed by the Senate. Following is the fiscal effect in dollars of the legislative proposal as required by Joint Rule 16.

Items 1 thru 3 of the amendment to Senate File 1055 were contemplated in the bill as passed by the Senate and therefore do not change the fiscal effect.

Sales tax receipts would be decreased by approximately \$75,000 annually if the gross receipts from the sale of insulin, hypoglycemic agents, disposable syringes, and diabetic testing materials were exempt from the sales tax.

Filed  
February 12, 1974

GERRY D. RANKIN  
Legislative Fiscal Director  
SENATE FILE 1055

Date prepared February 11, 1974

Requested by Representative D. Stanley.

Prepared in regard to - An Amendment to Senate File 1055, An Act to exempt food and prescription drugs from the sales and use tax. Following is the fiscal effect in dollars of the legislative proposal as required by Senate Rule 31.

Receipts from the sales and use tax would decrease by 31 to 33 million dollars per year if food, prescription drugs and prosthetic devices were exempt from the tax.

Filed  
February 11, 1974

GERRY D. RANKIN  
Legislative Fiscal Director

FISCAL NOTE  
SENATE FILE 1055

Date prepared February 13, 1974

Requested by Representative Horn.

Prepared in regard to Amendment to Senate File 1055.

Following is the fiscal effect in dollars of the legislative proposal as required by Joint Rule 16.

Representative Horn's amendment to Senate File 1055 extends sales tax exemption to individuals 65 years of age or older on tangible personal property and services.

This amendment could reduce sales tax receipts by approximately \$5,250,000 a year.

Filed  
February 13, 1974

GERRY D. RANKIN  
Legislative Fiscal Director

FISCAL NOTE  
SENATE FILE 1055

Date prepared February 13, 1974

Requested by Representative Byerly.

Prepared in regard to Amendment to Senate File 1055.

Following is the fiscal effect in dollars of the legislative proposal as required by Joint Rule 16.

Representative Byerly amendment to Senate File 1055 strikes everything after the enacting clause and establishes a \$12 allowance to each individual as a sales tax rebate.

This amendment would cost approximately \$34,000,000 a year.

Filed  
February 13, 1974

GERRY D. RANKIN  
Legislative Fiscal Director

FISCAL NOTE  
SENATE FILE 1055

Date prepared February 13, 1974

Requested by Representative Butler.

Prepared in regard to Amendment H-2173 to Senate File 1055. Following is the fiscal effect in dollars of the legislative proposal as required by Joint Rule 16.

H-2173 amends Senate File 1055 by just exempting food or food products purchased with food coupons from sales tax.

This amendment would reduce sales and use tax receipts by approximately \$1,200,000 a year.

Filed

GERRY D. RANKIN

FISCAL NOTE  
SENATE FILE 1055

Date prepared February 11, 1974

Requested by Representative G. Bortell.

Prepared in regard to An Amendment to Senate File 1055 as amended, passed and reprinted by the Senate to reduce the sales and use tax from 3% to 2-1/2%. Following is the fiscal effect in dollars of the legislative proposal as required by House Rule 48.

The annual decrease in sales tax revenue would be approximately \$42 million.

Filed  
February 11, 1974

GERRY D. RANKIN  
Legislative Fiscal Director

1 Amend Senate File 1055 as follows:

2 1. By striking everything after the enacting  
3 clause and inserting in lieu thereof the following:

4 Section 1. Section four hundred twenty-two point  
5 forty-three (422.43), unnumbered paragraphs one (1),  
6 two (2), seven (7), and eight (8), Code 1973, as  
7 amended by the Acts of the Sixty-fifth General  
8 Assembly, 1973 Session, chapter one hundred fifty-  
9 three (153), section thirteen (13), is further amended  
10 to read as follows:

11 There is hereby imposed a tax of three two and  
12 one-half percent upon the gross receipts from all  
13 sales of tangible personal property, consisting of  
14 goods, wares, or merchandise, except as otherwise  
15 provided in this division, sold at retail in the state  
16 to consumers or users; a like rate of tax upon the  
17 gross receipts from the sales, furnishing or service  
18 of gas, electricity, water, heat, and communication  
19 service, including the gross receipts from such sales  
20 by any municipal corporation furnishing gas,  
21 electricity, water, heat, and communication service  
22 to the public in its proprietary capacity, except  
23 as otherwise provided in this division, when sol-  
24 at retail in the state to consumers or users; and  
25 a like rate of tax upon the gross receipts from all

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1 sales of tickets or admissions to places of amusement,  
2 athletic events including those of educational  
3 institutions, fairs; and a like rate of tax upon that  
4 part of private club membership fees or charges paid  
5 for the privilege of participating in any athletic  
6 sports provided club members.

7 There is hereby imposed a tax of three two and  
8 one-half percent upon the gross receipts derived from  
9 the operation of all forms of amusement devices and  
10 games of skill, games of chance, raffles and bingo  
11 games as defined in this Act, and commercial amusement  
12 enterprises operated or conducted within the state  
13 of Iowa, such tax to be collected from the operator  
14 in the same manner as is provided for the collection  
15 of taxes upon the gross receipts of tickets or  
16 admission as provided in this section.

17 The tax herein levied shall be computed and  
18 collected as hereinafter provided. The tax herein  
19 imposed shall be at the rate of three two and one-  
20 half percent.

21 There is hereby imposed, a tax of three two and  
22 one-half percent upon the gross receipts from the  
23 rendering, furnishing, or performing of services as  
24 defined in section 422.42.

25 Sec. 2. Section four hundred twenty-three point

1 two (423.2), Code 1973, is amended to read as follows:  
2 423.2 IMPOSITION OF TAX. An excise tax is hereby  
3 imposed on the use in this state of tangible personal  
4 property purchased for use in this state, at the rate  
5 of three two and one-half percent of the purchase  
6 price of such property. Said tax is hereby imposed  
7 upon every person using such property within this  
8 state until such tax has been paid directly to the  
9 county treasurer or department of public safety to  
10 a retailer, or to the department as hereinafter  
11 provided. An excise tax is hereby imposed on the  
12 use in this state of services enumerated in section  
13 422.43 at the rate of three two and one-half per-  
14 cent. Said tax shall be applicable where services  
15 are rendered, furnished, or performed in this state  
16 or where the product or result of such service is  
17 used in this state. Such tax is imposed on every  
18 person using such services or the product of such  
19 services in this state until such user has paid such  
20 tax either to an Iowa use tax permit holder or has  
21 paid such tax to the department of revenue.  
22 2. Amend the title, page 1, line 1, by striking  
23 the words "exempting food and prescription drugs from"  
24 and inserting in lieu thereof the words "to reduce  
25 the rate of".

S-2099 Filed  
January 29, 1974

By RODGERS, WINKELMAN, HEYING  
PRIEBE, SCOTT, GALLAGHER,  
and NOLIN

FISCAL NOTE  
AMENDMENT S-2113  
SENATE FILE 1055

Date prepared January 31, 1974

Requested by Senator Rodgers.

Prepared in regard to Amendment S-2113 to Senate File 1055 - To exempt certain food and prescription drugs from sales and use tax. Following is the fiscal effect in dollars of the legislative proposal as required by Senate Rule 31.

Receipts from the sales and use tax would decrease by 31 to 33 million dollars per year if food and prescription drugs were exempt from the tax.

Filed  
January 31, 1974

GERRY D. RANKIN  
Legislative Fiscal Director

S-2102

1 Amend Senate File 1055 as follows:

2 1. Page 2, by inserting after line 13 the  
3 following:

4 Sec. \_\_\_\_\_. Section four hundred twenty-two point  
5 fifty-two (422.52), Code 1973, is amended by adding  
6 the following new subsection:

7 NEW SUBSECTION. When a return is filed and the  
8 taxes shown due thereon are paid in full on or before  
9 the date due as prescribed in section four hundred  
10 twenty-two point fifty-one (422.51), of the Code, the  
11 retailer shall be allowed a credit or discount equal  
12 to three percent of the sales tax shown due by the  
13 return on the amount due up to one thousand dollars  
14 and an additional credit or discount equal to two  
15 percent of the sales tax shown due by the return on  
16 the amount due in excess of one thousand dollars up  
17 to four thousand dollars and one percent on all  
18 amounts due in excess of four thousand dollars.  
19 This credit or discount shall be allowed to the  
20 retailer for prompt payment of the tax and as  
21 partial remuneration for the costs of collecting the  
22 tax and record keeping required by this chapter.

23 2. By numbering sections to conform to this  
24 amendment.

25 3. Amend the title on page 1, line 2, by in-

Page 2

1 inserting after the word "tax" the words "and providing a  
2 sales tax credit".

S-2102 Filed. *Revised out of order 1/31* By HULTMAN and TIEDEN  
January 30, 1974 *Withdrawn 1/31*

#### CORRECTED EXPLANATION

This bill exempts sales of food products for human consumption and prescription drugs from the sales and use tax.

This bill also provides that retailers collecting and promptly paying sales tax shall be allowed a discount of 3% on amounts of sales tax of \$1000 or less; 2% on amounts above \$1000 to \$4000; and 1% on all amounts in excess of \$4000, to cover the cost of collecting the sales tax.

1 Amend Senate File 1055 as follows:  
 2 1. Page 1, by striking everything after the  
 3 enacting clause and inserting in lieu thereof the  
 4 following:  
 5 Section 1. Section four hundred twenty-two point  
 6 twelve (422.12), Code 1973, is amended by adding  
 7 the following new subsection:  
 8 NEW SUBSECTION. Fifteen dollars each for a  
 9 husband, wife, and each minor dependent if their  
 10 combined net income, as defined in section four  
 11 hundred twenty-two point seven (422.7) of the Code,  
 12 is five thousand dollars or less.  
 13 2. Page 1, lines 1 and 2, by striking everything  
 14 after the word "Act" and inserting in lieu thereof  
 15 the words "providing an income tax exemption for  
 16 low income families."

S-2108 Filed By HEYING  
 January 30, 1974

S-2109  
 1 Amend Senate File 1055 as follows:  
 2 By striking lines 10 through 25 on page 1 and lines 1 through 13  
 3 on page 2 and inserting in lieu thereof the following:  
 4 NEW SUBSECTION. Gross receipts from the sale of  
 5 food products for human consumption, "Food products"  
 6 include, but are not limited to, cereals and cereal  
 7 products, milk and milk products, oleomargarine, meat  
 8 and meat products, fish and fish products, eggs and  
 9 egg products, vegetables and vegetable products, fruit,  
 10 fruit products and fruit juices, spices and salt,  
 11 sugar and sugar products other than candy and con-  
 12 fectionery; coffee and coffee substitutes, tea, cocoa  
 13 and cocoa products other than candy and confectionery.  
 14 "Food products" do not include alcoholic liquor  
 15 or beer as defined in subsections eight (8) and nine  
 16 (9) of section one hundred twenty-three point three  
 17 (123.3) of the Code, soft drinks, sodas or beverages;  
 18 medicines, except by prescription; tonics, vitamins  
 19 and other dietary supplements; or water, mineral water,  
 20 carbonated water or ice. Food products do not include  
 21 meals prepared for immediate consumption on or off the  
 22 premises of the retailer. "Food products" do not in-  
 23 clude food sold through vending machines.  
 24 NEW SUBSECTION. The gross receipts from the sale  
 25 of prescription drugs, as defined in subsection ten

Page 2

1 (10) of section one hundred fifty-five point three  
 2 (155.3) of the Code, if dispensed for human consump-  
 3 tion by a registered pharmacist licensed under chapter  
 4 one hundred fifty-five (155) of the Code, physician  
 5 and surgeon licensed under chapter one hundred forty-  
 6 eight (148) of the Code, osteopath licensed under  
 7 chapter one hundred fifty (150) of the Code, and  
 8 osteopathic physician and surgeons licensed under  
 9 chapter one hundred fifty A (150A) of the Code,  
 10 dentists licensed under chapter one hundred fifty-  
 11 three (153) of the Code, and podiatrists licensed under  
 12 chapter one hundred forty-nine (149) of the Code.

S-2109 Filed - *Adopted 1/31* By ORR, LAMBORN and SHAFF  
 January 30, 1974

HOUSE AMENDMENT TO SENATE FILE 1055

1 Amend Senate File 1055, as amended, passed, and  
2 reprinted by the Senate, as follows:

3 1. Page 1, line 2, by adding after the word "prosthetic"  
4 the words "and orthopedic".

5 2. Page 1, line 2, by adding after the comma the  
6 words "diabetic treatment and testing materials, tangible  
7 personal property to and services rendered, performed, or  
8 furnished for a voluntary nonprofit hospital, utility  
9 services,".

10 3. Page 1, by striking lines 11 through 24 and  
11 inserting in lieu thereof the following:

12 NEW SUBSECTION. Gross receipts from the sale of all  
13 foods for human consumption, including seeds and plants  
14 for use in gardens to produce food for human consumption,  
15 which are eligible for purchase with food coupons issued  
16 by the United States department of agriculture pursuant to  
17 regulations in effect on the effective date of this Act.

18 4. Page 2, by striking lines 1 through 6.

19 5. Page 2, line 10, by inserting after the word "human"  
20 the words "use or".

21 6. Page 2, by inserting the following new subsection  
22 after line 19:

23 NEW SUBSECTION. Gross receipts from the sale of insulin,  
24 hypodermic syringes, and diabetic testing materials for  
25 human use or consumption.

1 7. Page 2, line 21, by inserting after the word  
2 "prosthetic" the words "and orthopedic".

3 8. Page 2, by inserting after line 21 the following  
4 new subsection:

5 NEW SUBSECTION. Gross receipts from the sales,  
6 furnishing, or service of natural gas, electricity, and  
7 heating fuel to consumers living in single-family or  
8 multi-family dwelling units used for residential heating  
9 purposes.

10 9. Page 2, after line 21, by inserting the following:

11 NEW SUBSECTION. The gross receipts from sale of  
12 tangible personal property to and the services rendered,  
13 performed, or furnished for a voluntary nonprofit hospital.

Received from the House  
February 19, 1974

*Senate refused to concur 2/21 (464)  
House insisted 3/5 (787)*

S—2215

1 Amend the House amendment to Senate File 1055, page  
2 2, line 8 by striking the word "heating".

S—2215 Filed and lost  
February 21, 1974

By SCHABEN, GLUBA, KENNEDY  
and VAN GILST

S—2218

1 Amend the House amendment to Senate File 1055 as  
2 follows:

3 Page 2, line 9, after the period insert the follow-  
4 ing:

5 "For the purposes of this subsection, two-thirds of  
6 gross receipts from the sales, furnishing, or service  
7 of natural gas, electricity, and heating fuel to con-  
8 sumers living in dwellings specified in this subsec-  
9 tion shall be presumed to be gross receipts received  
10 for residential heating purposes."

S—2218 Filed and lost  
February 21, 1974

By GLUBA

REPORT OF THE CONFERENCE COMMITTEE  
ON SENATE FILE 1055

To the President of the Senate and the Speaker of the House of Representatives:

We, the undersigned members of the conference committee appointed to consider the differences between the Senate and the House of Representatives on Senate File 1055, a bill for an act exempting food and prescription drugs from the sales and use tax, respectfully make the following recommendations:

1. That the House recede from its amendment to Senate File 1055, as amended, passed and reprinted by the Senate.
2. That Senate File 1055, as amended, passed and reprinted by the Senate, be amended by striking everything after the enacting clause and inserting in lieu thereof the following:

Section 1. Section four hundred twenty-two point nine (422.9), subsection one (1), Code 1973, is amended to read as follows:

1. An optional standard deduction of [five] *ten* percent of the net income after deduction of federal income tax, not to exceed [two] *five* hundred [fifty] dollars.

Sec. 2. Section four hundred twenty-two point forty-five (422.45), Code 1973, as amended by Acts of the Sixty-fifth General Assembly, 1973 Session, chapter one hundred fifty-three (153), section fourteen (14), and chapter two hundred forty-seven (247), section one (1), is amended by adding the following new subsections:

**NEW SUBSECTION.** Gross receipts from the sale of all foods for human consumption which are eligible for purchase with food coupons issued by the United States department of agriculture pursuant to regulations in effect on July 1, 1974, regardless of whether the retailer from which the foods are purchased is participating in the food stamp program. However, as used in this subsection, "foods" does not include meals prepared for immediate consumption on or off the premises of the retailer, and does not include foods sold through vending machines.

**NEW SUBSECTION.** The gross receipts from the sale of prescription drugs, as defined in subsection ten (10) of section one hundred fifty-five point three (155.3) of the Code, if dispensed for human use or consumption by a registered pharmacist licensed under chapter one hundred fifty-five (155) of the Code, a physician and surgeon licensed under chapter one hundred forty-eight (148) of the Code, an osteopath licensed under chapter one hundred fifty (150) of the Code, an osteopathic physician and surgeon licensed under chapter one hundred fifty A (150A) of the Code, a dentist licensed under chapter one hundred fifty-three (153) of the Code, or a podiatrist licensed under chapter one hundred forty-nine (149) of the Code.

**NEW SUBSECTION.** Gross receipts from the sale of insulin, hypodermic syringes, and diabetic testing materials for human use or consumption.

**NEW SUBSECTION.** Gross receipts from the sale of pros-

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majority was declared  
ended was agreed to.

TEE REPORT

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thetic, orthotic or orthopedic devices for human use. For purposes of this subsection, "orthopedic devices" means those devices prescribed to be used for orthopedic purposes by a physician and surgeon licensed under chapter one hundred forty-eight (148) of the Code, an osteopath licensed under chapter one hundred fifty (150) of the Code, an osteopathic physician and surgeon licensed under chapter one hundred fifty A (150A) of the Code, a dentist licensed under chapter one hundred fifty-three (153) of the Code, or a podiatrist licensed under chapter one hundred forty-nine (149) of the Code.

Sec. 3. Section four hundred fifty point three (450.3), subsection five (5), Code 1973, is amended to read as follows:

5. Property which is held [jointly or as tenants in the entirety] *in joint tenancy* by the decedent and any other person or persons or any deposit in banks, or other institution in their joint names and payable to either or to the survivor, except such part as may be proven to have belonged to the survivor; or any interest of a decedent in property owned by a joint stock or other corporate body whereby the survivor or survivors become beneficially entitled to the decedent's interest upon the death of a shareholder. *However, if such property is so held by the decedent and the surviving spouse as the only coowners, one half of such property is not subject to taxation under the provisions of this chapter, but if the surviving spouse proves that he or she contributed to acquisition of such property an amount, in money or other property, greater than one half of the cost of the property held in joint tenancy, the portion of such property which shall be the proportion which the actual contribution by the surviving spouse is of the total contribution to acquisition of such property.* The tax imposed upon the passing of property under the provisions of this subsection shall apply to property held under all such contracts or agreements whether made before or after the taking effect of this chapter.

Sec. 4. Section four hundred fifty point nine (450.9), Code 1973, is amended to read as follows:

450.9 INDIVIDUAL EXEMPTIONS. In computing the tax on the net estate passing to the surviving spouse, heirs or beneficiaries of the deceased the following credits or exemptions shall be allowed:

1. [Wife] *Surviving spouse*, [forty] *eighty* thousand dollars.
- [2. Husband, forty thousand dollars.]
- [3] 2. Each son and daughter, including legally adopted sons and daughters, or illegitimate sons and daughters entitled to inherit under the law of this state, fifteen thousand dollars.
- [4] 3. Father or mother, ten thousand dollars.
- [5] 4. Any other lineal descendant of the deceased, five thousand dollars.

Sec. 5. Section one (1) of this Act is applicable to tax years beginning on or after January 1, 1974, section two (2) of this Act is applicable to sales made on or after July 1,

1974, and is applicable or after J.

3. Page passed and everything lines 2 and "increasing taxes."

On the Pa  
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Ayes, 2

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1974, and sections three (3) and four (4) of this Act are applicable to the estate of a person whose death occurs on or after July 1, 1974.

3. Page 1, that the title to Senate File 1055, as amended, passed and reprinted by the Senate, be amended by striking everything after the word "Act" on line 1 and by striking lines 2 and 3 and inserting in lieu thereof the words "increasing the deductions and exemptions for certain state taxes."

On the Part of the Senate:

RALPH F. McCARTNEY, Chairman  
WARREN E. CURTIS  
JOHN S. MURRAY  
JOAN ORR

On the Part of the House:

NORMAN ROORDA, Chairman  
FRANK CRABB  
GREGORY D. CUSACK  
NORMAN P. DUNLAP  
JAY MENNENGA

Senator Schwieger took the chair at 7:50 p.m.

President Neu took the chair at 8:00 p.m.

Roll call was requested.

On the question "Shall the conference committee report be adopted?" (S.F. 1055) the vote was:

Ayes, 28:

Bergman	Hansen	McCartney	Potter
Blouin	Hill	Miller of	Ramsey
Burroughs	Junkins	Marshall	Riley
Coleman	Kelly	Milligan	Robinson
DeKoster	Kennedy	Murray	Scott
Doderer	Kinley	Orr	Shaw
Glenn	Lamborn	Plymat	Willits
Gluba			

Nays, 20:

Andersen	Miller of	Priebe	Shaff
Briles	Des Moines	Rabedeaux	Taylor
Gallagher	Nolin	Rodgers	Tieden
Griffin	Nystrom	Schwengels	Van Gilst
Heying	Palmer	Schwieger	Winkelman
Hultman			

Absent or not voting, 2:

Curtis Schaben

The motion prevailed and the conference' committee report and the recommendations and amendment contained therein were adopted.

Senator McCartney moved that the bill be read the last time now, which motion prevailed, and the bill was read the last time.

On the question "Shall the bill pass?" (S.F. 1055) the vote was: