

MAR 12 1979

HOUSE FILE 676

WAYS & MEANS CALENDAR

By COMMITTEE ON WAYS AND MEANS

Sen. " " 5/11 No Pass 5/11 (p. 1738) (Formerly Study Bill 76)

Passed House, Date 5-10-79 (p. 2327) Passed Senate, Date 5-11-79 (p. 1739)

Vote: Ayes 80 Nays 7 Vote: Ayes 216 Nays 2

Approved June 4, 1979

A BILL FOR

1 An Act relating to the tax on the services of parking and
2 of test laboratories.

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

- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25

676

439
Strikes
June 20 '68

1 Section 1. Section four hundred twenty-two point forty-
2 three (422.43), unnumbered paragraph nine (9), Code 1979,
3 is amended to read as follows:

4 The following enumerated services shall be subject to the
5 tax herein imposed on gross taxable services: Alteration
6 and garment repair; armored car; automobile repair; battery,
7 tire and allied; investment counseling (excluding investment
8 services of trust departments); bank service charges; barber
9 and beauty; boat repair; car wash and wax; carpentry; roof,
10 shingle, and glass repair; dance schools and dance studios;
11 dry cleaning, pressing, dyeing, and laundering; electrical
12 repair and installation; engraving, photography, and
13 retouching; equipment rental; excavating and grading; farm
14 implement repair of all kinds; flying service, except
15 agricultural aerial application services and aerial commercial
16 and charter transportation services; furniture, rug, upholstery
17 repair and cleaning; fur storage and repair; golf and country
18 clubs and all commercial recreation; house and building moving;
19 household appliance, television, and radio repair; jewelry
20 and watch repair; machine operator; machine repair of all
21 kinds; motor repair; motorcycle, scooter, and bicycle repair;
22 oilers and lubricators; office and business machine repair;
23 painting, papering, and interior decorating; parking ~~lots~~
24 facilities; pipe fitting and plumbing; wood preparation;
25 private employment agencies; printing and binding; sewing
26 and stitching; shoe repair and shoeshine; storage warehousing
27 of raw agricultural products; telephone answering service;
28 test laboratories, except tests on humans; termite, bug,
29 roach, and pest eradicators; tin and sheet metal repair;
30 turkish baths, massage, and reducing salons; vulcanizing,
31 recapping, and retreading; weighing; welding; well drilling;
32 wrapping, packing, and packaging of merchandise other than
33 processed meat, fish, fowl and vegetables; wrecking service;
34 wrecker and towing.

3651-

3652

244-
3948

EXPLANATION

1 The bill changes the term "parking lot" to "parking fa-
2 cilities" and makes an exception on test laboratories to
3 exempt tests on humans from the tax on services. The bill
4 is effective July first following enactment.

5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35

1 Amend House File 676 as follows:

2 1. Page 1, by inserting after line 34 the
3 following:

4 "Sec. 2. Section four hundred twenty-two point
5 forty-five (422.45), Code 1979, is amended by adding
6 the following new subsection:

7 NEW SUBSECTION. The gross receipts from sales
8 or services rendered, furnished or performed by a
9 county or city. This exemption does not apply to
10 the tax specifically imposed under section four hundred
11 twenty-two point forty-three (422.43) of the Code
12 on the gross receipts from the sales, furnishing or
13 service of gas, electricity, water, heat and
14 communication service to the public by a municipal
15 corporation in its proprietary capacity.

16 Sec. 3. The director of revenue shall not collect
17 any tax due or delinquent, including interest and
18 penalties, from sales or services rendered, furnished
19 or performed, before the effective date of this Act
20 if such sales or services would be exempt under section
21 two (2) of this Act if made after the effective date
22 of this Act. Any tax that has been collected before
23 the effective date of this Act is not refundable."

24 2. Amend the title, line 2, by inserting after
25 the word "laboratories" the words "and exempting most
26 sales or services by a county or city from the sales
27 and use tax".

BY CHIODO of Polk
WOODS of Polk
SHERZAN of Polk
SMALLEY of Polk
THOMPSON of Polk
KREWSON of Polk
CONNORS of Polk

JESSE of Polk
ANDERSON of Jasper
CUSAK of Scott
ARNOULD of Scott
JOCHUM of Dubuque
CONLON of Muscatine
POPE of Polk

H-3948 FILED
APRIL 17, 1979

*Placed out of order
5/10 (p. 2326)*

HOUSE FILE 676

H-3651

- 1 Amend House File 676 as follows:
- 2 1. Page 1, line 10, by striking the words "dance
- 3 schools and dance studios;" and inserting in lieu
- 4 thereof the words "dance-schools-and-dance-studios".

H-3651 FILED *Placed out of order*
 MARCH 29, 1979 *5/10 (p. 2326)*

BY ANDERSON of Jasper
 PELLETT of Cass
 KREWSON of Polk
 PERKINS of Greene
 JOHNSON of Woodbury
 O'KANE of Woodbury
 LONERGAN of Boone
 DAVITT of Warren
 BINNEBOESE of Plymouth
 CHIODO of Polk

HOUSE FILE 676

H-3652

- 1 Amend House File 676 as follows:
- 2 1. Page 1, by striking lines 26 and 27 and
- 3 inserting in lieu thereof the following:
- 4 "and stitching; shoe repair and shoeshine; storage
- 5 warehousing of raw agricultural products; telephone
- 6 answering service;"

H-3652 FILED *Placed out of order*
 MARCH 29, 1979 *5/10 (p. 2326)*

BY HUSAK of Tama
 BYERLY of Polk

HOUSE FILE 676

H-3946

- 1 Amend House File 676 as follows:
- 2 1. Page 1, line 34, by inserting after the word
- 3 "towing." the words "However, the services enumerated
- 4 in this paragraph shall not be subject to the tax
- 5 herein imposed on gross taxable services if such
- 6 enumerated services are rendered, furnished or
- 7 performed by a county or city."
- 8 2. Amend the title, line 2, by inserting after
- 9 the word "laboratories" the words "and of services
- 10 rendered, furnished or performed by a county or city".

BY CHIODO of Polk
 WOODS of Polk
 SHERZAN of Polk
 SMALLEY of Polk
 THOMPSON of Polk
 KREWSON of Polk
 CONNORS of Polk

JESSE of Polk
 ANDERSON of Jasper
 CUSAK of Scott
 ARNOULD of Scott
 JOCHUM of Dubuque
 CONLON of Muscatine
 POPE of Polk

H-3946 FILED
 APRIL 17, 1979

Placed out of order
5/10 (p. 2326)

H-4396

1 Amend House File 676 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 paragraph nine (9),
6 Code 1979, is amended to read as follows:

7 The following enumerated services shall be subject
8 to the tax herein imposed on gross taxable services:
9 Alteration and garment repair; armored car; automobile
10 repair; battery, tire and allied; investment counseling
11 (excluding investment services of trust departments);
12 bank service charges; barber and beauty; boat repair;
13 car wash and wax; carpentry; roof, shingle, and glass
14 repair; dance schools and dance studios; dry cleaning,
15 pressing, dyeing, and laundering; electrical repair
16 and installation; engraving, photography, and
17 retouching; equipment rental; excavating and grading;
18 farm implement repair of all kinds; flying service,
19 except agricultural aerial application services and
20 aerial commercial and charter transportation services;
21 furniture, rug, upholstery repair and cleaning; fur
22 storage and repair; golf and country clubs and all
23 commercial recreation; house and building moving;
24 household appliance, television, and radio repair;
25 jewelry and watch repair; machine operator; machine
26 repair of all kinds; motor repair; motorcycle, scooter,
27 and bicycle repair; oilers and lubricators; office
28 and business machine repair; painting, papering, and
29 interior decorating; parking ~~lets~~ facilities; pipe
30 fitting and plumbing; wood preparation; private
31 employment agencies; printing and binding; sewing
32 and stitching; shoe repair and shoeshine; storage
33 warehousing of raw agricultural products; telephone
34 answering service; test laboratories, except tests
35 on humans; termite, bug, roach, and pest eradicators;
36 tin and sheet metal repair; turkish baths, massage,
37 and reducing salons; vulcanizing, recapping, and
38 retreading; weighing; welding; well drilling; wrapping,
39 packing, and packaging of merchandise other than
40 processed meat, fish, fowl and vegetables; wrecking
41 service; wrecker and towing.

42 Sec. 2. Section four hundred twenty-two point
43 forty-five (422.45), subsection nine (9), Code 1979,
44 is amended to read as follows:

45 2. Gross receipts from the sales of newspapers,
46 free newspapers or shoppers guides and the printing
47 and publishing thereof, and envelopes for advertising.

48 Sec. 3. Section four hundred twenty-two point
49 forty-five (422.45), Code 1979, is amended by adding
50 the following new subsection:

1 NEW SUBSECTION. The gross receipts from the sale
2 of property which is a container, label, carton,
3 pallet, packing case, wrapping paper, twine, bag,
4 bottle, shipping case or other similar article or
5 receptacle sold to retailers or manufacturers for
6 the purpose of packaging or facilitating the
7 transportation of tangible personal property sold
8 at retail.

9 Sec. 4. Section four hundred twenty-two point
10 forty-five (422.45), Code 1979, is amended by adding
11 the following new subsection:

12 NEW SUBSECTION. The gross receipts from sales
13 or services rendered, furnished or performed by a
14 county or city. This exemption does not apply to
15 the tax specifically imposed under section four hundred
16 twenty-two point forty-three (422.43) of the Code
17 on the gross receipts from the sales, furnishing or
18 service of gas, electricity, water, heat and
19 communication service to the public by a municipal
20 corporation in its proprietary capacity.

21 Sec. 5. Section four hundred twenty-three point
22 four (423.4), Code 1979, is amended by adding the
23 following new subsection:

24 NEW SUBSECTION. Vehicles subject to registration
25 which are transferred from a business or individual
26 conducting a business within this state as a sole
27 proprietorship or partnership to a corporation formed
28 by the sole proprietorship or partnership for the
29 purpose of continuing the business when all of the
30 stock of the corporation so formed is owned by the
31 sole proprietor and the sole proprietor's spouse or
32 by all the partners in the case of a partnership.
33 This exemption is equally available where the vehicles
34 subject to registration are transferred from a
35 corporation to a sole proprietorship or partnership
36 formed by that corporation for the purpose of
37 continuing the business when all of the incidents
38 of ownership are owned by the same person or persons
39 who were stockholders of the corporation.

40 Sec. 6. The director of revenue shall not collect
41 any tax due or delinquent, including interest and
42 penalties, from sales or services rendered, furnished
43 or performed, before the effective date of this Act
44 if such sales or services would be exempt under section
45 if such sales or services would be exempt under section
46 four (4) of this Act if made after the effective date
47 of this Act. Any tax that has been collected before
48 the effective date of this Act is not refundable.

49 Sec. 7. Notwithstanding the provisions of division
50 four (IV) of chapters four hundred twenty-two (422)

Page Three
H-4396

1 and four hundred twenty-three (423) of the Code, any
2 municipally-owned solid waste facility which sells
3 all or part of its processed waste as fuel to a
4 municipally-owned public utility and which have no
5 earnings going to the benefit of an equity investor
6 or stockholder may make application to the department
7 for the refund of any sales, service or use taxes
8 paid by them or the contractor on the gross receipts
9 of all sales of goods, wares or merchandise or from
10 services rendered, furnished, or performed between
11 January 1, 1973 and July 1, 1978. Upon receipt of
12 application for a refund, the director shall verify
13 that under the facts specified by the applicant the
14 applicant would now be exempt from the payment of
15 the sales or use tax under subsection five (5) of
16 section four hundred twenty-two point forty-five
17 (422.45) of the Code or would be entitled to a refund
18 under subsection seven (7) of section four hundred
19 twenty-two point forty-five (422.45) of the Code.

20 The application for a refund authorized under this
21 subsection shall be filed with the director within
22 one year after the effective date of this Act. If
23 the director determines that the applicant would now
24 be exempt or entitled to a refund under subsection
25 five (5) or seven (7) of section four hundred twenty-
26 two point forty-five (422.45) of the Code, the director
27 shall remit the amount of the refund to the applicant."

28 2. Amend the title, by striking everything after
29 the word "Act" in line 1 and inserting in lieu thereof
30 the words "relating to the sales, service, and use
31 tax by imposing the service tax on all parking
32 facilities, exempting from the tax the gross receipts
33 from laboratory tests on human beings, envelopes for
34 advertising, property purchased for packaging tangible
35 personal property sold at retail, sales and services
36 rendered, furnished, or performed by counties and
37 cities, and transfers of vehicles subject to
38 registration from a sole proprietorship or partnership
39 to a corporation formed by the sole proprietorship
40 or partnership for the purpose of continuing the
41 business of the sole proprietorship or partnership
42 as a corporation, providing that delinquent taxes,
43 penalties, and interest on sales and services provided
44 by cities and counties shall not be collected, and
45 providing for the refund of any sales, service, and
46 use taxes collected after January 1, 1973, from a
47 municipal solid waste facility which have no earnings
48 going to the benefit of an equity investor or
49 stockholder."

4396 FILED
MAY 10, 1979

Adopted 5/10
(p. 2326)

BY CLARK of Cerro Gordo
CHIODO of Polk

H-4406

- 1 Amend amendment H-4396 to House File 676 as
2 follows:
3 1. Page 1, line 32, by striking the word
4 "storage" and inserting in lieu thereof the word
5 "storage".
6 2. Page 1, line 33, by striking the words
7 "warehousing of raw agricultural products;" and
8 inserting in lieu thereof the words "warehousing
9 of-raw-agricultural-products;".

H-4406 FILED
MAY 10, 1979

BY SCHNEKLOTH of Scott	HUSAK of Tama
ANDERSON of Audubon	DAGGETT of Taylor
DAVITT of Warren	JOHNSON of Woodbury
PERKINS of Greene	BENNETT of Ida

HOUSE FILE 676

AN ACT

RELATING TO THE SALES, SERVICE, AND USE TAX BY IMPOSING THE SERVICE TAX ON ALL PARKING FACILITIES, EXEMPTING FROM THE TAX THE GROSS RECEIPTS FROM LABORATORY TESTS ON HUMAN BEINGS, ENVELOPES FOR ADVERTISING, PROPERTY PURCHASED FOR PACKAGING TANGIBLE PERSONAL PROPERTY SOLD AT RETAIL, SALES AND SERVICES RENDERED, FURNISHED, OR PERFORMED BY COUNTIES AND CITIES, AND TRANSFERS OF VEHICLES SUBJECT TO REGISTRATION FROM A SOLE PROPRIETORSHIP OR PARTNERSHIP TO A CORPORATION FORMED BY THE SOLE PROPRIETORSHIP OR PARTNERSHIP FOR THE PURPOSE OF CONTINUING THE BUSINESS OF THE SOLE PROPRIETORSHIP OR PARTNERSHIP AS A CORPORATION, PROVIDING THAT DELINQUENT TAXES, PENALTIES, AND INTEREST ON SALES AND SERVICES PROVIDED BY CITIES AND COUNTIES SHALL NOT BE COLLECTED, AND PROVIDING FOR THE REFUND OF ANY SALES, SERVICE, AND USE TAXES COLLECTED AFTER JANUARY 1, 1973, FROM A MUNICIPAL SOLID WASTE FACILITY WHICH HAVE NO EARNINGS GOING TO THE BENEFIT OF AN EQUITY INVESTOR OR STOCKHOLDER.

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

Section 1. Section four hundred twenty-two point forty-three (422.43), unnumbered paragraph nine (9), Code 1979, is amended to read as follows:

The following enumerated services shall be subject to the tax herein imposed on gross taxable services: Alteration and garment repair; armored car; automobile repair; battery, tire and allied; investment counseling (excluding investment services of trust departments); bank service charges; barber and beauty; boat repair; car wash and wax; carpentry; roof, shingle, and glass repair; dance schools and dance studios;

dry cleaning, pressing, dyeing, and laundering; electrical repair and installation; engraving, photography, and retouching; equipment rental; excavating and grading; farm implement repair of all kinds; flying service, except agricultural aerial application services and aerial commercial and charter transportation services; furniture, rug, upholstery repair and cleaning; fur storage and repair; golf and country clubs and all commercial recreation; house and building moving; household appliance, television, and radio repair; jewelry and watch repair; machine operator; machine repair of all kinds; motor repair; motorcycle, scooter, and bicycle repair; oilers and lubricators; office and business machine repair; painting, papering, and interior decorating; parking ~~lots~~ facilities; pipe fitting and plumbing; wood preparation; private employment agencies; printing and binding; sewing and stitching; shoe repair and shoeshine; storage warehousing of raw agricultural products; telephone answering service; test laboratories, except tests on humans; termite, bug, roach, and pest eradicators; tin and sheet metal repair; turkish baths, massage, and reducing salons; vulcanizing, recapping, and retreading; weighing; welding; well drilling; wrapping, packing, and packaging of merchandise other than processed meat, fish, fowl and vegetables; wrecking service; wrecker and towing.

Sec. 2. Section four hundred twenty-two point forty-five (422.45), subsection nine (9), Code 1979, is amended to read as follows:

9. Gross receipts from the sales of newspapers, free newspapers or shoppers guides and the printing and publishing thereof, and envelopes for advertising.

Sec. 3. Section four hundred twenty-two point forty-five (422.45), Code 1979, is amended by adding the following new subsection:

NEW SUBSECTION. The gross receipts from the sale of property which is a container, label, carton, pallet, packing case, wrapping paper, twine, bag, bottle, shipping case or other similar article or receptacle sold to retailers or manufacturers for the purpose of packaging or facilitating the transportation of tangible personal property sold at retail.

Sec. 4. Section four hundred twenty-two point forty-five (422.45), Code 1979, is amended by adding the following new subsection:

NEW SUBSECTION. The gross receipts from sales or services rendered, furnished or performed by a county or city. This exemption does not apply to the tax specifically imposed under section four hundred twenty-two point forty-three (422.43) of the Code on the gross receipts from the sales, furnishing or service of gas, electricity, water, heat and communication service to the public by a municipal corporation in its proprietary capacity.

Sec. 5. Section four hundred twenty-three point four (423.4), Code 1979, is amended by adding the following new subsection:

NEW SUBSECTION. Vehicles subject to registration which are transferred from a business or individual conducting a business within this state as a sole proprietorship or partnership to a corporation formed by the sole proprietorship or partnership for the purpose of continuing the business when all of the stock of the corporation so formed is owned by the sole proprietor and the sole proprietor's spouse or by all the partners in the case of a partnership. This exemption is equally available where the vehicles subject to registration are transferred from a corporation to a sole proprietorship or partnership formed by that corporation for the purpose of continuing the business when all of the in-

cidents of ownership are owned by the same person or persons who were stockholders of the corporation.

Sec. 6. The director of revenue shall not collect any tax due or delinquent, including interest and penalties, from sales or services rendered, furnished or performed, before the effective date of this Act if such sales or services would be exempt under section four (4) of this Act if made after the effective date of this Act. Any tax that has been collected before the effective date of this Act is not refundable.

Sec. 7. Notwithstanding the provisions of division four (IV) of chapters four hundred twenty-two (422) and four hundred twenty-three (423) of the Code, any municipally-owned solid waste facility which sells all or part of its processed waste as fuel to a municipally-owned public utility and which have no earnings going to the benefit of an equity investor or stockholder may make application to the department for the refund of any sales, service or use taxes paid by them or the contractor on the gross receipts of all sales of goods, wares or merchandise or from services rendered, furnished, or performed between January 1, 1973 and July 1, 1978. Upon receipt of application for a refund, the director shall verify that under the facts specified by the applicant the applicant would now be exempt from the payment of the sales or use tax under subsection five (5) of section four hundred twenty-two point forty-five (422.45) of the Code or would be entitled to a refund under subsection seven (7) of section four hundred twenty-two point forty-five (422.45) of the Code.

The application for a refund authorized under this subsection shall be filed with the director within one year after the effective date of this Act. If the director determines that the applicant would now be exempt or entitled to a refund under subsection five (5) or seven (7) of section

four hundred twenty-two point forty-five (422.45) of the Code, the director shall remit the amount of the refund to the applicant.

FLOYD H. MILLEN
Speaker of the House

TERRY E. BRANSTAD
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 676, Sixty-eighth General Assembly.

DAVID L. WRAY
Chief Clerk of the House

Approved June 4, 1979

ROBERT D. RAY
Governor