

Bo. Pass 4/20 (p. 1591)

FILED MAR 18 1982

SENATE FILE 2292

BY COMMITTEE ON WAYS AND MEANS

Approved 3/18 (p. 824)

Passed Senate, Date 4-14-82 (p. 1193) Passed House, Date 4-22-82 (p. 1657)

Vote: Ayes 41 Nays 8 Vote: Ayes 91 Nays 0

Approved May 13, 1982

Motion to Reconsider (p. 1228) W/TS 4/15

A BILL FOR

1 An Act relating to the taxation of the use of certain optional
2 service and maintenance contracts which provide for the
3 furnishing of labor and materials for a fixed price.

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

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2292

1 Section 1. Section 423.1, subsection 4, Code 1981, is
2 amended to read as follows:

3 4. "Tangible personal property" means tangible goods,
4 wares, and merchandise, optional service or warranty con-
5 tracts, and gas, electricity, and water when furnished or
6 delivered to consumers or users within this state.

7 EXPLANATION

8 The bill imposes a use tax on the total purchase price
9 of optional service or warranty contracts furnished or
10 delivered to a user in the state. The use tax is complementary
11 to the sales tax imposed on optional and warranty contracts
12 enacted in 1981. The bill takes effect July 1 following
13 enactment.

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SENATE 10
MARCH 19, 1982

SENATE FILE 2292
FISCAL NOTE

REQUESTED BY SENATOR CRAFT

In compliance with a written request there is hereby submitted a Fiscal Note for Senate File 2292 pursuant to Joint Rule 16.

SF 2292, An Act relating to the taxation of the use of certain optional service and maintenance contracts which provide for the furnishing of labor and materials for a fixed price.

The bill is a correction to House File 468 which passed the General Assembly in 1981. House File 468 defines service and warranty contracts as tangible personal property but restricts the definition to the Iowa sales tax statutes. This bill imposes a use tax on the total purchase price of optional service or warranty contracts furnished or delivered to a user in the state. The use tax is complementary to the sales tax imposed by House File 468 enacted in 1981. The bill is effective July 1, 1982.

While the enactment of this bill would result in an increase to the General Fund, no specific fiscal estimate is possible.

SOURCE: DEPARTMENT OF REVENUE

FILED:
MARCH 18, 1982

BY GERRY RANKIN, FISCAL DIRECTOR

AN ACT
RELATING TO THE TAXATION OF THE USE OF CERTAIN OPTIONAL
SERVICE AND MAINTENANCE CONTRACTS WHICH PROVIDE FOR THE
FURNISHING OF LABOR AND MATERIALS FOR A FIXED PRICE.

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

Section 1. Section 423.1, subsection 4, Code 1981, is amended to read as follows:

4. "Tangible personal property" means tangible goods, wares, and merchandise, optional service or warranty contracts, and gas, electricity, and water when furnished or delivered to consumers or users within this state.

TERRY E. BRANSTAD
President of the Senate

DELWYN STROMER
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2292, Sixty-ninth General Assembly.

K. MARIE THAYER
Secretary of the Senate

Approved May 13, 1982

ROBERT D. RAY
Governor