

Reprinted 4/3/81

FILED MAR 23 1981

SENATE FILE 466

BY COMMITTEE ON WAYS AND MEANS

Approved 2/23/81 (p 93.9)

(FORMERLY SSB 351)

Passed Senate, Date 3-31-81 (p 1039) Passed House, Date 5-8-81 (p. 1742)

Vote: Ayes 50 Nays 0 Vote: Ayes 93 Nays 0

Approved June 19, 1981

A BILL FOR

1 An Act relating to the processing exemption in the state sales,
2 services, and use tax by including in the definition of
3 services used in processing of tangible personal property,
4 the reconditioning or repairing of used tangible property
5 held for resale upon which the sales, services, or use
6 tax will be paid when the property is sold.

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

8
9
10

SENATE FILE 466

S-3270

- 1 Amend Senate File 466 as follows:
- 2 1. Page 1, line 5, by striking the word "used".
- 3 2. Page 1, line 5, by inserting after the word
- 4 "property" the words "of the type normally sold in
- 5 the regular course of the retailer's business and
- 6 which is".
- 7 3. Page 1, line 6, by striking the word "resale"
- 8 and inserting in lieu thereof the word "sale".
- 9 4. Title page, lines 4 and 5, by striking the
- 10 words "used tangible property held for resale" and
- 11 inserting in lieu thereof the words "tangible property
- 12 of the type normally sold in the regular course of
- 13 the retailer's business and which is held for sale".

S-3270 FILED
MARCH 31, 1981
ADOPTED (p 1038)

BY EDGAR H. HOLDEN
ROLF V. CRAFT
DAVID M. READINGER
BERL E. PRIEBE

1 Section 1. Section 422.42, subsection 13, Code 1981, is
2 amended by adding the following new unnumbered paragraph:

3 NEW UNNUMBERED PARAGRAPH. "Services used in the processing
4 of tangible personal property" includes the reconditioning
5 or repairing of used tangible personal property held for
6 resale upon which the gross receipts tax under this division
7 or the use tax under chapter 423 will be paid when the used
8 tangible personal property is sold.

9 EXPLANATION

10 The bill provides that the definition of "services used
11 in the processing of tangible personal property" for purposes
12 of the processing exemption in the state sales, services,
13 and use tax includes the reconditioning or repairing of used
14 tangible personal property such as motor vehicles if the
15 property is held for resale and the state sales, services,
16 or use tax will be applied to the gross receipts received
17 when the property is subsequently sold.

18 The bill takes effect July 1 following its enactment.

19

SENATE FILE 466
FISCAL NOTE

20

21 REQUESTED BY SENATOR CRAFT

22

In compliance with a written request there is hereby submitted a
23 Fiscal Note for Senate File 466 pursuant to Joint Rule 16.

24

25

26

27

28

S.F. 466 provides that the exemption from the sales, service, and use tax of
services used in the processing of tangible personal property include the
reconditioning or repairing of used tangible personal property such as motor
vehicles or household appliances if the property is held for resale. The tax
will be applied to the gross receipts received when the property is subsequently
sold. The bill takes effect July 1 following enactment.

29

30

The reduction in sales, service, and use tax from this exemption is unknown
but it is felt that the impact could be significant.

31

SOURCE: DEPARTMENT OF REVENUE

32

RECEIVED BY THE SECRETARY OF THE SENATE, MARCH 31, 1981

33

34

FILED
APRIL 2, 1981

BY GERRY D. RANKIN, DIRECTOR
LEGISLATIVE FISCAL BUREAU

35

LSB 1831S 69

Ways and Means: Shull, Chair; Renken and Chiodo.

Amend. for H-3777, Do. Pass 4/23/81 (p. 1361)

SENATE FILE

466

BY COMMITTEE ON WAYS AND MEANS

(AS AMENDED AND PASSED BY THE SENATE MARCH 31, 1981)

Passed Senate, Date 5-13-81 (p. 1656) Passed House, Date 5-8-81 (p. 1742)

Vote: Ayes 44 Nays 0 Vote: Ayes 93 Nays 0

Approved June 19, 1981

A BILL FOR

1 An Act relating to the processing exemption in the state sales,
 2 services, and use tax by including the definition of
 3 services used in processing of tangible personal property,
 4 the reconditioning or repairing of tangible property of
 5 the type normally sold in the regular course of the
 6 retailer's business and which is held for sale upon which
 7 the sales, services, or use tax will be paid when the
 8 property is sold.

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

10

SENATE FILE 466

H-3777

1 Amend Senate File 466, as amended, passed, and
 2 reprinted by the Senate, as follows:
 3 1. Page 1, line 9, by striking the word "used".

H-3777 FILED APRIL 23, 1981 BY COMMITTEE ON WAYS AND MEANS
(Adopted 5/8/81 (p. 1741)) SCHNEKLOTH of Scott, Chair

22
23
24
25

1 Section 1. Section 422.42, subsection 13, Code 1981, is
2 amended by adding the following new unnumbered paragraph:
3 NEW UNNUMBERED PARAGRAPH. "Services used in the processing
4 of tangible personal property" includes the reconditioning
5 or repairing of tangible personal property of the type normally
6 sold in the regular course of the retailer's business and
7 which is held for sale upon which the gross receipts tax under
8 this division or the use tax under chapter 423 will be paid
9 when the used tangible personal property is sold.

SENATE FILE 466

H-3817

1 Amend Senate File 466, as amended, passed and
2 reprinted by the Senate, as follows:
3 1. Page 1, line 3, by inserting after the word
4 "Services" the words "and materials essential to completion".
5 2. Title page, line 3, by inserting after the word
6 "services" the words "and materials essential to
7 completion".

H-3817 FILED APRIL 24, 1981 BY CLARK of Cerro Gordo
4/28 5/3/81 (p. 1741)

HOUSE AMENDMENT TO SENATE FILE 466

S-3729

1 Amend Senate File 466, as amended, passed, and
2 reprinted by the Senate, as follows:
3 1. Page 1, line 9, by striking the word "used".

S-3729 FILED
MAY 12, 1981

RECEIVED FROM THE HOUSE
Senate concurred 5/13/81 (p. 1655)

27
28
29
30
31
32
33
34
35

sold in the regular course of the retailer's business and which is held for sale upon which the gross receipts tax under this division or the use tax under chapter 423 will be paid when the tangible personal property is sold.

SENATE FILE 466

AN ACT

RELATING TO THE PROCESSING EXEMPTION IN THE STATE SALES, SERVICES, AND USE TAX BY INCLUDING IN THE DEFINITION OF SERVICES USED IN PROCESSING OF TANGIBLE PERSONAL PROPERTY, THE RECONDITIONING OR REPAIRING OF TANGIBLE PROPERTY OF THE TYPE NORMALLY SOLD IN THE REGULAR COURSE OF THE RETAILER'S BUSINESS AND WHICH IS HELD FOR SALE UPON WHICH THE SALES, SERVICES, OR USE TAX WILL BE PAID WHEN THE PROPERTY IS SOLD.

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

Section 1. Section 422.42, subsection 13, Code 1981, is amended by adding the following new unnumbered paragraph:
NEW UNNUMBERED PARAGRAPH. "Services used in the processing of tangible personal property" includes the reconditioning or repairing of tangible personal property of the type normally

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 466, Sixty-ninth General Assembly.

LINDA HOWARTH MACKAY
Secretary of the Senate

Approved June 19, 1981

ROBERT D. RAY
Governor