

Sen. Ways & Means 4/3

MAR 16 1984

HOUSE FILE 2503

WAYS & MEANS CALENDAR

BY COMMITTEE ON WAYS AND MEANS

(Formerly Study Bill 662)

Substituted for S. J. 2326 4/10/84

Passed House, Date 4-3-84 (p. 1578) Passed Senate, Date 4-10-84 (p. 1427)

Vote: Ayes 95 Nays 1 Vote: Ayes 45 Nays 2

Approved May 10, 1984

A BILL FOR

1 An Act relating to the taxation of engraving, photography,
 2 retouching, printing, and binding under the state sales,
 3 services, and use tax.

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

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HOUSE FILE 2503

S-5855

1 Amend House File 2503 as passed by the House as
 2 follows:
 3 1. Page 2, by inserting after line 9 the following:
 4 "Sec. ____ Chapter 422, division VI, Code 1983,
 5 is amended by adding the following new section:
 6 NEW SECTION. No provisions of chapters 422 or
 7 423 are intended to impose a sales or use tax on the
 8 cost to a manufacturer of materials used in the
 9 manufacture of machinery or equipment of any kind
 10 which is sold at retail by the manufacturer or is
 11 leased by the manufacturer to a user thereof, and
 12 no sales or use tax is imposed on the purchase price
 13 of such materials paid by the manufacturer."

S-5855 FILED

BY EDGAR H. HOLDEN

APRIL 10, 1984

RULED OUT OF ORDER (p. 1427)

HF 2503

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1 Section 1. Section 422.43, Code Supplement 1983, is amended
2 by adding after subsection 3 the following new subsection
3 and renumbering the remaining subsections:

4 NEW SUBSECTION. There is imposed a like rate of tax upon
5 the gross receipts from the sales of engraving, photography,
6 retouching, printing, and binding services. For the purpose
7 of this division, the sales of engraving, photography,
8 retouching, printing, and binding services are sales of
9 tangible property.

S-58657

10 Sec. 2. Section 422.43, subsection 9, Code Supplement
11 1983, is amended to read as follows:

12 9. The following enumerated services are subject to the
13 tax imposed on gross taxable services: Alteration and garment
14 repair; armored car; automobile repair; battery, tire and
15 allied; investment counseling, (excluding investment services
16 of trust departments); bank service charges; barber and beauty;
17 boat repair; car wash and wax; carpentry; roof, shingle, and
18 glass repair; dance schools and dance studios; dry cleaning,
19 pressing, dyeing, and laundering; electrical repair and
20 installation; ~~engraving, photography, and retouching~~; equipment
21 rental; excavating and grading; farm implement repair of all
22 kinds; flying service, except agricultural aerial application
23 services and aerial commercial and charter transportation
24 services; furniture, rug, upholstery repair and cleaning;
25 fur storage and repair; golf and country clubs and all
26 commercial recreation; house and building moving; household
27 appliance, television, and radio repair; jewelry and watch
28 repair; machine operator; machine repair of all kinds; motor
29 repair; motorcycle, scooter, and bicycle repair; oilers and
30 lubricators; office and business machine repair; painting,
31 papering, and interior decorating; parking facilities; pipe
32 fitting and plumbing; wood preparation; private employment
33 agencies, excluding services for placing a person in employment
34 where the principal place of employment of that person is
35 to be located outside of the state; ~~printing and binding~~;

1 sewing and stitching; shoe repair and shoeshine; storage
2 warehousing of raw agricultural products; telephone answering
3 service; test laboratories, except tests on humans; termite,
4 bug, roach, and pest eradicators; tin and sheet metal repair;
5 turkish baths, massage, and reducing salons; vulcanizing,
6 recapping, and retreading; weighing; welding; well drilling;
7 wrapping, packing, and packaging of merchandise other than
8 processed meat, fish, fowl and vegetables; wrecking service;
9 wrecker and towing.

10 Sec. 3. Section 423.1, subsection 4, Code Supplement 1983,
11 is amended to read as follows:

12 4. "Tangible personal property" means tangible goods,
13 wares, merchandise, optional service or warranty contracts,
14 engraving, photography, retouching, printing, or binding
15 services, and gas, electricity, and water when furnished or
16 delivered to consumers or users within this state.

17 EXPLANATION

18 The bill does not alter the taxation of the providing at
19 retail of engraving, photography, retouching, printing, and
20 binding services but does provide that the sales of these
21 services are to be treated as sales of tangible personal
22 property thus clarifying that certain items used in processing
23 these items are eligible for the exemption for processing
24 from the state sales, services, and use tax.

25 The bill takes effect July 1 following enactment.

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HOUSE FILE 2503

AN ACT

RELATING TO THE TAXATION OF ENGRAVING, PHOTOGRAPHY, RETOUCHING,
PRINTING, AND BINDING UNDER THE STATE SALES, SERVICES, AND
USE TAX.

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

Section 1. Section 422.43, Code Supplement 1983, is amended by adding after subsection 3 the following new subsection and renumbering the remaining subsections:

NEW SUBSECTION. There is imposed a like rate of tax upon the gross receipts from the sales of engraving, photography, retouching, printing, and binding services. For the purpose of this division, the sales of engraving, photography, retouching, printing, and binding services are sales of tangible property.

Sec. 2. Section 422.43, subsection 9, Code Supplement 1983, is amended to read as follows:

9. The following enumerated services are subject to the tax 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 facilities; pipe fitting and plumbing; wood preparation; private employment agencies, excluding services for placing a person in employment where the principal place of employment of that person is to be located outside of the state; ~~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. 3. Section 423.1, subsection 4, Code Supplement 1983, is amended to read as follows:

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

DONALD D. AVENSON
Speaker of the House

ROBERT T. ANDERSON
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2503, Seventieth General Assembly.

JOSEPH O'HERN
Chief Clerk of the House

Approved May 10, 1984

TERRY E. BRANSTAD
Governor