

SENATE FILE 14

*Do Pass 2/22 (p. 517)*

Ways and Means  
Palmer, Chair  
Holden  
Brown

JAN 10 1983

*Sen. Fenwick 2/24 Do Pass*

*2/24 (p. 545)*

Senate File 14

SENATE FILE

14

BY HOLDEN

Ways and Means: O'Kane, Chair; Cochran and Renken.

*Do Pass 4/6/83 (p. 1110)*

Senate File 14

*Do Pass 4/18/83*

Finance: Chiodo, Chair; Doderer and Hanson.

Passed Senate, Date 2-25-83 (p. 547) Passed House, Date 4-21-83 (p. 1501)

Vote: Ayes 44 Nays 0 Vote: Ayes 97 Nays 0

Approved May 26, 1983

## A BILL FOR

1 An Act to exempt the state, its agencies, and political  
 2 subdivisions of the state from the tax on motor fuel  
 3 where the motor fuel is used for a public purpose and  
 4 delivered into storage tanks owned or used exclusively  
 5 by the state, its agencies, or a political subdivision  
 6 of the state.

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

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*S.F. 14*

1 Section 1. Section 324.3, Code 1983, is amended by adding  
2 the following new subsection as subsection 5 immediately  
3 following subsection 4:

4 NEW SUBSECTION. 5. Motor fuel sold to the state, any  
5 of its agencies, or to any political subdivision of the state,  
6 which is used for public purposes and delivered into any size  
7 of storage tank owned or used exclusively by the state, any  
8 of its agencies, or a political subdivision of the state.

9 The department of revenue shall provide exemption certificate  
10 forms to the state, its agencies, and political subdivisions  
11 of the state so that they may provide a certificate of  
12 exemption to a distributor or dealer upon the delivery of  
13 motor fuel. The certificate of exemption shall specify the  
14 number of gallons of motor fuel received and state that all  
15 of the motor fuel delivered into the storage tank shall be  
16 used for public purposes.

17 Sec. 2. Section 324.3, unnumbered paragraph 2, Code 1983,  
18 is amended to read as follows:

19 Motor fuel shall be sold tax paid to the state of Iowa,  
20 any of its agencies, or to any political subdivision of the  
21 state, including motor fuel sold for the transportation of  
22 pupils of approved public and nonpublic schools by a contract  
23 carrier who contracts with the public school under section  
24 285.5 for the transportation of public and nonpublic school  
25 pupils under chapter 285 unless the motor fuel is delivered  
26 into storage tanks and exempt under subsection 5. Tax on  
27 fuel which is used for public purposes is subject to refund,  
28 including tax paid on motor fuel sold for the transportation  
29 of school pupils of approved public and nonpublic schools  
30 by a contract carrier who contracts with the public school  
31 under section 285.5 for the transportation of public and non-  
32 public school pupils under chapter 285. Claims for refunds  
33 will be filed with the department on a quarterly basis and  
34 the director shall not grant a refund of motor fuel or special  
35 fuel tax where a claim is not filed within one year from the

1 date the tax was due. The claim shall contain the number  
2 of gallons purchased, the calculation of the amount of motor  
3 fuel and special fuel tax subject to refund and any other  
4 information required by the department necessary to process  
5 the refund.

6 EXPLANATION

7 The bill adds new subsection 5 to section 324.3 and provides  
8 that motor fuel sold to the state, its agencies, or a political  
9 subdivision of the state, which is delivered into storage  
10 tanks and used for a public purpose is exempt from the motor  
11 fuel tax. The state, its agencies, and political subdivisions  
12 of the state which purchase motor fuel in any other manner  
13 will continue to pay the tax on purchases of motor fuel and  
14 apply for refund of the motor fuel taxes paid. The bill takes  
15 effect July 1 following enactment.

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SENATE FILE 14  
FISCAL NOTE

REQUESTED BY SENATOR HOLDEN

In compliance with a written request there is hereby submitted a Fiscal Note for Senate File 14 pursuant to Joint Rule 17.

Senate File 14 exempts from the motor fuel tax that motor fuel sold to the state, its agencies, or a political subdivision of the state, which is delivered into storage tanks and used for a public purpose. Under current law those eligible jurisdictions must apply for a refund of the motor fuel taxes paid. Those jurisdictions which purchase motor fuel in any other manner will continue to apply for refund of the motor fuel taxes paid.

Since those jurisdictions that would be eligible for exemption are now eligible for refunds, there is no additional revenue effect on total revenues or expenditures. Administration costs would remain about the same.

SOURCE: DEPT OF TRANSPORTATION (045S, 83-046, CMG)  
DEPT OF REVENUE

FILED: BY LEGISLATIVE FISCAL BUREAU  
FEBRUARY 1, 1983 DENNIS C. PROUTY, DIRECTOR

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LSB 45S 70  
gk/rr/8

## SENATE FILE 14

## AN ACT

TO EXEMPT THE STATE, ITS AGENCIES, AND POLITICAL SUBDIVISIONS OF THE STATE FROM THE TAX ON MOTOR FUEL WHERE THE MOTOR FUEL IS USED FOR A PUBLIC PURPOSE AND DELIVERED INTO STORAGE TANKS OWNED OR USED EXCLUSIVELY BY THE STATE, ITS AGENCIES, OR A POLITICAL SUBDIVISION OF THE STATE.

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

Section 1. Section 324.3, Code 1983, is amended by adding the following new subsection as subsection 5 immediately following subsection 4:

NEW SUBSECTION. 5. Motor fuel sold to the state, any of its agencies, or to any political subdivision of the state, which is used for public purposes and delivered into any size of storage tank owned or used exclusively by the state, any of its agencies, or a political subdivision of the state. The department of revenue shall provide exemption certificate forms to the state, its agencies, and political subdivisions of the state so that they may provide a certificate of exemption to a distributor or dealer upon the delivery of motor fuel. The certificate of exemption shall specify the number of gallons of motor fuel received and state that all of the motor fuel delivered into the storage tank shall be used for public purposes.

Sec. 2. Section 324.3, unnumbered paragraph 2, Code 1983, is amended to read as follows:

Motor fuel shall be sold tax paid to the state of Iowa, any of its agencies, or to any political subdivision of the state, including motor fuel sold for the transportation of pupils of approved public and nonpublic schools by a contract carrier who contracts with the public school under section 285.5 for the transportation of public and nonpublic school pupils under chapter 285 unless the motor fuel is delivered into storage tanks and exempt under subsection 5. Tax on fuel which is used for public purposes is subject to refund,

including tax paid on motor fuel sold for the transportation of school pupils of approved public and nonpublic schools by a contract carrier who contracts with the public school under section 285.5 for the transportation of public and nonpublic school pupils under chapter 285. Claims for refunds will be filed with the department on a quarterly basis and the director shall not grant a refund of motor fuel or special fuel tax where a claim is not filed within one year from the date the tax was due. The claim shall contain the number of gallons purchased, the calculation of the amount of motor fuel and special fuel tax subject to refund and any other information required by the department necessary to process the refund.

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ROBERT T. ANDERSON  
President of the Senate

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DONALD D. AVENSON  
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 14, Seventieth General Assembly.

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K. MARIE THAYER  
Secretary of the Senate

Approved May 26, 1983

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TERRY E. BRANSTAD  
Governor