

Ways and Means
Holden, Chair
Rodgers
Husak

*1/12
Amended Jan 21/26
Do Pass 2/17 (p 483)*

Reported 3/1/83

FILED JAN 11 1983

SENATE FILE

56

BY PRIEBE

Passed Senate, Date 2-23-83 (p 523) Passed House, Date 5-14-83 (P.2165)

Vote: Ayes 49 Nays 0 Vote: Ayes 89 Nays 0

Approved May 27, 1983

A BILL FOR

1 An Act relating to the calculation of the sales, services, and
2 use tax on transactions involving the trade-in of tangible
3 personal property.

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

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SENATE FILE 56
FISCAL NOTE

REQUESTED BY SENATOR PRIEBE

In compliance with a written request there is hereby submitted a Fiscal Note for Senate File 56 pursuant to Joint Rule 17.

Senate File 56 revises one of the conditions under which the sales or use tax on transactions involving trade-ins is imposed only on the actual cash paid to the retailer. Existing law requires as one of the conditions that the retailer intends ultimately to sell the trade-in at retail and that the trade-in when sold would be subject to the sales or use tax. The bill would change this condition to provide that if the retailer intends ultimately to sell the trade-in at retail or that the retailer or another person use the trade-in to remanufacture an item like the trade-in which is intended to be ultimately sold at retail. The bill removes that part of the condition that provides that the trade-in when sold be subject to the sales or use tax.

The impact of the proposal would be expected to be a reduction in sales/use tax receipts. However, a specific estimate of the impact cannot be provided.

(360S, 83-023, CMG)

SOURCE: DEPARTMENT OF REVENUE

RECEIVED BY THE SECRETARY OF THE SENATE, FEBRUARY 23, 1983

FILED:

FEBRUARY 25, 1983

BY LEGISLATIVE FISCAL BUREAU

DENNIS C. PROUTY, DIRECTOR

1 Section 1. Section 422.42, subsection 6, paragraph b,
2 subparagraph (2), Code 1983, is amended to read as follows:

3 (2) The tangible personal property traded to the retailer
4 is intended by the retailer to be ultimately sold at retail
5 ~~and will be subject to the tax under section 422-43 when sold~~
6 or will be used by the retailer or another in the
7 remanufacturing of a like item intended to be ultimately sold
8 at retail.

9 Sec. 2. Section 423.1, subsection 3, paragraph b,
10 subparagraph (2), Code 1983, is amended to read as follows:

11 (2) The tangible personal property traded to the retailer
12 is intended by the retailer to be ultimately sold at retail
13 ~~and will be subject to the tax under section 422-43 of this~~
14 ~~chapter when sold~~ or will be used by the retailer or another
15 in the remanufacturing of a like item intended to be ultimately
16 sold at retail.

17 EXPLANATION

18 The bill revises one of the conditions under which the
19 sales or use tax on transactions involving trade-ins is imposed
20 only on the actual cash paid to the retailer. Existing law
21 requires as one of the conditions that the retailer intends
22 ultimately to sell the trade-in at retail and that the trade-
23 in when sold would be subject to the sales or use tax. The
24 bill would change this condition to provide that the retailer
25 intends ultimately to sell the trade-in at retail or that
26 the retailer or another person use the trade-in to
27 remanufacture an item like the trade-in which is intended
28 to be ultimately sold at retail. The bill removes that part
29 of the condition that provides that the trade-in when sold
30 be subject to the sales or use tax.

31 The bill takes effect July 1 following enactment.

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SENATE FILE 56

S-3112

Amend Senate File 56 as follows:

1. Page 1, by striking lines 5 through 8 and inserting in lieu thereof the words "or is intended to be used by the retailer or another in the remanufacturing of a like item intended to be ultimately sold at retail and will be subject to the tax under section 422.43 when sold."
2. Page 1, by striking lines 13 through 16 and inserting in lieu thereof the words "or is intended to be used by the retailer or another in the remanufacturing of a like item intended to be ultimately sold at retail and will be subject to the tax under section 422.43 or this chapter when sold."

S-3112 FILED
FEBRUARY 17, 1983

BY COMMITTEE ON WAYS & MEANS
WILLIAM D. PALMER, CHAIR

2/18 2/23 (p 522)

SENATE FILE 56

S-3116

Amend Senate File 56 as follows:

1. Page 1, by striking lines 5 through 8 and inserting in lieu thereof the words and figure "and will be subject to the tax under section 422.43 when sold or is intended to be used by the retailer or another in the remanufacturing of a like item."
2. Page 1, by striking lines 13 through 16 and inserting in lieu thereof the words and figure "and will be subject to the tax under section 422.43 or this chapter when sold or is intended to be used by the retailer or another in the remanufacturing of a like item."

S-3116 FILED
FEBRUARY 21, 1983

BY EDGAR H. HOLDEN

Adopted 2/23 (p 522)

See Ways and Means 3/1/83 Do Pass 5/11

Senate File 56

Ways and Means: Varn, Chair; Brammer and Maulsby.

Finance Do Pass 5/11/83

SENATE FILE

56

Senate File 56

BY PRIEBE

Finance: Chiodo, Chair; Arnould and Branstad.

(AS AMENDED AND PASSED BY THE SENATE FEBRUARY 23, 1983)

Passed Senate, Date 2-23-83 (p. 523) Passed House, Date 5-14-83 (p. 265)

Vote: Ayes 49 Nays 0 Vote: Ayes 89 Nays 0

Approved May 27, 1983

A BILL FOR

1 An Act relating to the calculation of the sales, services, and
2 use tax on transactions involving the trade-in of tangible
3 personal property.

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

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SENATE FILE 56 as passed by the Senate
FISCAL NOTE

REQUESTED BY REPRESENTATIVE NORLAND

In compliance with a written request received April 22, 1983, there is hereby submitted a Fiscal Note for Senate File 56 as passed by the Senate pursuant to Joint Rule 17. Background information used in developing this Fiscal Note is available from the Legislative Fiscal Bureau, to members of the Legislature upon request.

Senate File 56, as passed by the Senate, revises one of the conditions under which the sales or use tax on transactions involving trade-ins is imposed only on the actual cash paid to the retailer. Existing law requires as one of the conditions that the retailer intends ultimately to sell the trade-in at retail and that the trade-in when sold would be subject to the sales or use tax. The bill would change this condition to provide that the retailer intends ultimately to sell the trade-in at retail or that the retailer or another person use the trade-in to remanufacture an item like the trade-in which is intended to be ultimately sold at retail. That section of the Code providing the condition that the trade-in when sold be subject to the sales or use tax is retained.

The impact of the proposal would be expected to be a reduction in sales/use tax receipts. However, a specific estimate of the impact cannot be provided.

(360.15, 84-483, CMG)

Source: Department of Revenue

FILED APRIL 25, 1983

BY DENNIS PROUTY, FISCAL DIRECTOR

1 Section 1. Section 422.42, subsection 6, paragraph b,
2 subparagraph (2), Code 1983, is amended to read as follows:

3 (2) The tangible personal property traded to the retailer
4 is intended by the retailer to be ultimately sold at retail
5 and will be subject to the tax under section 422.43 when sold
6 or is intended to be used by the retailer or another in the
7 remanufacturing of a like item.

8 Sec. 2. Section 423.1, subsection 3, paragraph b,
9 subparagraph (2), Code 1983, is amended to read as follows:

10 (2) The tangible personal property traded to the retailer
11 is intended by the retailer to be ultimately sold at retail
12 and will be subject to the tax under section 422.43 or this
13 chapter when sold or is intended to be used by the retailer
14 or another in the remanufacturing of a like item.

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chapter when sold or is intended to be used by the retailer
or another in the remanufacturing of a like item.

SENATE FILE 56

AN ACT

RELATING TO THE CALCULATION OF THE SALES, SERVICES, AND USE
TAX ON TRANSACTIONS INVOLVING THE TRADE-IN OF TANGIBLE
PERSONAL PROPERTY.

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

Section 1. Section 422.42, subsection 6, paragraph b,
subparagraph (2), Code 1983, is amended to read as follows:

(2) The tangible personal property traded to the retailer
is intended by the retailer to be ultimately sold at retail
and will be subject to the tax under section 422.43 when sold
or is intended to be used by the retailer or another in the
remanufacturing of a like item.

Sec. 2. Section 423.1, subsection 3, paragraph b,
subparagraph (2), Code 1983, is amended to read as follows:

(2) The tangible personal property traded to the retailer
is intended by the retailer to be ultimately sold at retail
and will be subject to the tax under section 422.43 or this

ROBERT T. ANDERSON
President of the Senate

DONALD D. AVENSON
Speaker of the House

I hereby certify that this bill originated in the Senate and
is known as Senate File 56, Seventieth General Assembly.

K. MARIE THAYER
Secretary of the Senate

Approved May 27, 1983

TERRY E. BRANSTAD
Governor