

Reprinted 4/85

MAR 25 1985

HOUSE FILE 717

WAYS & MEANS CALENDAR

BY COMMITTEE ON WAYS AND MEANS

(Formerly House Study Bill 229)

Passed House, Date 4-25-85 (p. 1842) Passed Senate, Date 4-7-86 (P. 1085)

Vote: Ayes 95 Nays 0 Vote: Ayes 46 Nays 0

Approved April 21, 1986 P. 1606

### A BILL FOR

1 An Act relating to the purchase of motor fuel by a regional  
2 transit system, providing for a tax refund, and providing  
3 penalties.

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

HOUSE FILE 717

H-3541

- 1 Amend House File 717 as follows:
- 2 1. Page 1, line 3, by inserting after the word
- 3 "means" the following: "Iowa".
- 4 2. Page 1, line 4, by striking the figure
- 5 "601J.1" and inserting the following: "324.57,
- 6 subsection 9".
- 7 3. Page 1, line 6, by striking the figure
- 8 "601J.1" and inserting the following: "324.57,
- 9 subsection 11".
- 10 4. Page 2, by inserting after line 23 the
- 11 following:
- 12 "Sec. \_\_\_\_ . Section 324.33, Code 1985, is amended
- 13 by adding the following new subsection:
- 14 NEW SUBSECTION. 9. "Urban transit system" means
- 15 Iowa urban transit system as defined in section
- 16 324.57, subsection 9.
- 17 NEW SUBSECTION. 10. "Regional transit system"
- 18 means regional transit system as defined in section
- 19 324.57, subsection 11."
- 20 5. By renumbering sections as necessary.

H-3541 FILED MARCH 28, 1985 BY ROSENBERG of Story

*Adopted 4/25/85 (p. 1842)*

HF 717

1 Section 1. Section 324.2, Code 1985, is amended by adding  
2 the following new subsections:

354/ 3 NEW SUBSECTION. 8. "Urban transit system" means urban  
4 transit system as defined in section 601J.1.

5 NEW SUBSECTION. 9. "Regional transit system" means  
354/ 6 regional transit system as defined in section 601J.1.

7 Sec. 2. Section 324.3, subsection 4, Code 1985, is amended  
8 to read as follows:

9 4. Motor fuel used in the operation of an Iowa urban  
10 transit system ~~or-regional-transit-system~~. Any However, fuel  
11 sold to an Iowa urban transit system ~~or-regional-transit~~  
12 ~~system~~ which is used for a purpose other than as specified in  
13 section 324.57, ~~subsections~~ subsection 9 and-11, is not exempt  
14 from the tax.

15 Sec. 3. Section 324.3, subsection 5, unnumbered paragraphs  
16 1 and 2, Code 1985, are amended to read as follows:

17 Motor fuel sold to a regional transit system, the state,  
18 any of its agencies, or to any political subdivision of the  
19 state, which is used for a purpose specified in section  
20 324.57, subsection 11 or for public purposes and delivered  
21 into any size of storage tank owned or used exclusively by a  
22 regional transit system, the state, any of its agencies, or a  
23 political subdivision of the state. The department of revenue  
24 shall issue exemption certificate forms to a regional transit  
25 system, the state, its agencies, and political subdivisions of  
26 the state, or a regional transit system, the state, any of its  
27 agencies, or a political subdivision of the state, or a  
28 licensed motor fuel distributor may provide its own  
29 certificate of exemption in the form prescribed by the  
30 director, to a distributor or dealer to substantiate tax-  
31 exempt sales of motor fuel under this subsection. The  
32 certificate of exemption shall state that all of the motor  
33 fuel delivered into the storage tank shall be used for a  
34 purpose specified in section 324.57, subsection 11, or be used  
35 for public purposes.

1 Motor fuel shall be sold tax paid to a regional transit  
2 system, the state of Iowa, any of its agencies, or to any  
3 political subdivision of the state, including motor fuel sold  
4 for the transportation of pupils of approved public and  
5 nonpublic schools by a contract carrier who contracts with the  
6 public school under section 285.5 for the transportation of  
7 public and nonpublic school pupils under chapter 285, unless  
8 the motor fuel is delivered into storage tanks and exempt  
9 under subsection 5. Tax on fuel which is used for a purpose  
10 specified in section 324.57, subsection 11 or for public  
11 purposes is subject to refund, including tax paid on motor  
12 fuel sold for the transportation of school pupils of approved  
13 public and nonpublic schools by a contract carrier who  
14 contracts with the public school under section 285.5 for the  
15 transportation of public and nonpublic school pupils under  
16 chapter 285. Claims for refunds ~~will~~ shall be filed with the  
17 department on a quarterly basis and the director shall not  
18 grant a refund of motor fuel or special fuel tax where a claim  
19 is not filed within one year from the date the tax was due.  
20 The claim shall contain the number of gallons purchased, the  
21 calculation of the amount of motor fuel and special fuel tax  
22 subject to refund and any other information required by the  
23 department necessary to process the refund.

354 24 Sec. 4. Section 324.35, unnumbered paragraphs 2, 3, and 4,  
25 Code 1985, are amended to read as follows:

26 Tax on special fuel sold to a regional transit system, the  
27 state of Iowa, any of its agencies, or any political  
28 subdivisions of the state ~~where-such~~ if the fuel is used for a  
29 purpose specified in section 324.57, subsection 11 or for  
30 public purposes is subject to refund, including tax paid on  
31 special fuel sold for the transportation of school pupils of  
32 approved public and nonpublic schools by a contract carrier  
33 who contracts with the public school under section 285.5 for  
34 the transportation of public and nonpublic school pupils under  
35 chapter 285. Claims shall be filed in accordance with the

1 claims for motor fuel tax refunds provided by section 324.3.

2 No tax is imposed under this division on special fuel used  
3 in the operation of an Iowa urban transit system ~~or regional~~  
4 ~~transit-system~~, except that any special fuel sold to an Iowa  
5 urban transit system ~~or regional-transit-system~~, which is used  
6 for any purpose other than as specified in section 324.57,  
7 ~~subsections~~ subsection 9 and 11, is not exempt from the tax.

8 A tax shall not be imposed under this division and sections  
9 324.34, 324.36, and 324.38 are not applicable if special fuel  
10 is sold to the state, any of its agencies, ~~an Iowa urban~~  
11 ~~transit-system~~, a regional transit system, or a political  
12 subdivision of the state when the special fuel is delivered  
13 into storage tanks, regardless of size, and all of the special  
14 fuel is used for public purposes or for a purpose specified in  
15 section 324.57, subsection 11.

16 Sec. 5. Section 805.8, subsection 2, paragraph p, Code  
17 1985, is amended by striking the paragraph.

18 EXPLANATION

19 This bill requires that regional transit systems purchase  
20 fuel tax paid and apply for a refund unless the fuel is de-  
21 livered into storage in which case the fuel may be purchased  
22 tax free.

23 The bill also strikes a scheduled fine of ten dollars for  
24 violations of section 324.52 or 324.74, subsection 2 or 6.  
25 With the scheduled fine removed, the penalty for violating  
26 section 324.52 is a simple misdemeanor and the penalty for  
27 violating section 324.74, subsection 2 or 6 is the same as for  
28 a fraudulent practice.

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Wayman 4/29/85 Dr. Pen 3/11/86 (p. 615)

HOUSE FILE 717

BY COMMITTEE ON WAYS AND MEANS

(As Amended and Passed by the House April 26, 1985)

Passed House, Date 4-26-85 (p. 1842) Passed Senate, Date 4-7-86 (p. 1685)

Vote: Ayes 95 Nays 0 Vote: Ayes 46 Nays 0

Approved April 21, 1986 (p. 1606)

### A BILL FOR

1 An Act relating to the purchase of motor fuel by a regional  
2 transit system, providing for a tax refund, and providing  
3 penalties.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
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House Amendments \_\_\_\_\_

1 Section 1. Section 324.2, Code 1985, is amended by adding  
2 the following new subsections:

3 NEW SUBSECTION. 8. "Urban transit system" means Iowa  
4 urban transit system as defined in section 324.57, subsection  
5 9.

6 NEW SUBSECTION. 9. "Regional transit system" means  
7 regional transit system as defined in section 324.57,  
8 subsection 11.

9 Sec. 2. Section 324.3, subsection 4, Code 1985, is amended  
10 to read as follows:

11 4. Motor fuel used in the operation of an Iowa urban  
12 transit system ~~or-regional-transit-system.~~ Any However, fuel  
13 sold to an Iowa urban transit system ~~or-regional-transit~~  
14 ~~system~~ which is used for a purpose other than as specified in  
15 section 324.57, ~~subsections~~ subsection 9 and-11, is not exempt  
16 from the tax.

17 Sec. 3. Section 324.3, subsection 5, unnumbered paragraphs  
18 1 and 2, Code 1985, are amended to read as follows:

19 Motor fuel sold to a regional transit system, the state,  
20 any of its agencies, or to any political subdivision of the  
21 state, which is used for a purpose specified in section  
22 324.57, subsection 11 or for public purposes and delivered  
23 into any size of storage tank owned or used exclusively by a  
24 regional transit system, the state, any of its agencies, or a  
25 political subdivision of the state. The department of revenue  
26 shall issue exemption certificate forms to a regional transit  
27 system, the state, its agencies, and political subdivisions of  
28 the state, or a regional transit system, the state, any of its  
29 agencies, or a political subdivision of the state, or a  
30 licensed motor fuel distributor may provide its own  
31 certificate of exemption in the form prescribed by the  
32 director, to a distributor or dealer to substantiate tax-  
33 exempt sales of motor fuel under this subsection. The  
34 certificate of exemption shall state that all of the motor  
35 fuel delivered into the storage tank shall be used for a

purpose specified in section 324.57, subsection 11, or be used for public purposes.

3 Motor fuel shall be sold tax paid to a regional transit  
4 system, the state of Iowa, any of its agencies, or to any  
5 political subdivision of the state, including motor fuel sold  
6 for the transportation of pupils of approved public and  
7 nonpublic schools by a contract carrier who contracts with the  
8 public school under section 285.5 for the transportation of  
9 public and nonpublic school pupils under chapter 285, unless  
10 the motor fuel is delivered into storage tanks and exempt  
11 under subsection 5. Tax on fuel which is used for a purpose  
12 specified in section 324.57, subsection 11 or for public  
13 purposes is subject to refund, including tax paid on motor  
14 fuel sold for the transportation of school pupils of approved  
15 public and nonpublic schools by a contract carrier who  
16 contracts with the public school under section 285.5 for the  
17 transportation of public and nonpublic school pupils under  
18 chapter 285. Claims for refunds ~~will~~ shall be filed with the  
19 department on a quarterly basis and the director shall not  
20 grant a refund of motor fuel or special fuel tax where a claim  
21 is not filed within one year from the date the tax was due.  
22 The claim shall contain the number of gallons purchased, the  
23 calculation of the amount of motor fuel and special fuel tax  
24 subject to refund and any other information required by the  
25 department necessary to process the refund.

26 Sec. 4. Section 324.33, Code 1985, is amended by adding  
27 the following new subsection:

28 NEW SUBSECTION. 9. "Urban transit system" means Iowa  
29 urban transit system as defined in section 324.57, subsection  
30 9.

31 NEW SUBSECTION. 10. "Regional transit system" means  
32 regional transit system as defined in section 324.57,  
33 subsection 11.

34 Sec. 5. Section 324.35, unnumbered paragraphs 2, 3, and 4,  
35 Code 1985, are amended to read as follows:

1 Tax on special fuel sold to a regional transit system, the  
2 state of Iowa, any of its agencies, or any political  
3 subdivisions of the state ~~where-such~~ if the fuel is used for a  
4 purpose specified in section 324.57, subsection 11 or for  
5 public purposes is subject to refund, including tax paid on  
6 special fuel sold for the transportation of school pupils of  
7 approved public and nonpublic schools by a contract carrier  
8 who contracts with the public school under section 285.5 for  
9 the transportation of public and nonpublic school pupils under  
10 chapter 285. Claims shall be filed in accordance with the  
11 claims for motor fuel tax refunds provided by section 324.3.

12 No tax is imposed under this division on special fuel used  
13 in the operation of an Iowa urban transit system ~~or-regional~~  
14 ~~transit-system~~, except that any special fuel sold to an Iowa  
15 urban transit system ~~or-regional-transit-system~~, which is used  
16 for any purpose other than as specified in section 324.57,  
17 ~~subsections~~ subsection 9 and-11, is not exempt from the tax.

18 A tax shall not be imposed under this division and sections  
19 324.34, 324.36, and 324.38 are not applicable if special fuel  
20 is sold to the state, any of its agencies, ~~an-Iowa-urban~~  
21 ~~transit-system~~, a regional transit system, or a political  
22 subdivision of the state when the special fuel is delivered  
23 into storage tanks, regardless of size, and all of the special  
24 fuel is used for public purposes or for a purpose specified in  
25 section 324.57, subsection 11.

26 Sec. 6. Section 805.8, subsection 2, paragraph p, Code  
27 1985, is amended by striking the paragraph.

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NSB 229

Study Bill 229

WAYS AND MEANS

Ways and Means: Rosenberg, Chair; Lageschulte and O'Kane.

*Word  
HF 717*

SENATE/HOUSE FILE 717

BY (PREFILED DEPARTMENT OF REVENUE BILL)

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

### A BILL FOR

1 An Act relating to the purchase of motor fuel by a regional  
2 transit system, providing for a tax refund, and providing  
3 penalties.

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

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1 Section 1. Section 324.3, subsection 4, Code 1985, is  
2 amended to read as follows:

3 4. Motor fuel used in the operation of an Iowa urban  
4 transit system ~~or regional transit system~~. Any However, fuel  
5 sold to an Iowa urban transit system ~~or regional transit~~  
6 ~~system~~ which is used for a purpose other than as specified in  
7 section 324.57, ~~subsections~~ subsection 9 and ~~it~~, is not exempt  
8 from the tax.

9 Sec. 2. Section 324.3, subsection 5, unnumbered paragraphs  
10 1 and 2, Code 1985, are amended to read as follows:

11 Motor fuel sold to a regional transit system, the state,  
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13 state, which is used for a purpose specified in section  
14 324.57, subsection 11 or for public purposes and delivered  
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16 regional transit system, the state, any of its agencies, or a  
17 political subdivision of the state. The department of revenue  
18 shall issue exemption certificate forms to a regional transit  
19 system, the state, its agencies, and political subdivisions of  
20 the state, or a regional transit system, the state, any of its  
21 agencies, or a political subdivision of the state, or a  
22 licensed motor fuel distributor may provide its own  
23 certificate of exemption in the form prescribed by the  
24 director, to a distributor or dealer to substantiate tax-  
25 exempt sales of motor fuel under this subsection. The  
26 certificate of exemption shall state that all of the motor  
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31 system, the state of Iowa, any of its agencies, or to any  
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34 nonpublic schools by a contract carrier who contracts with the  
35 public school under section 285.5 for the transportation of

1 public and nonpublic school pupils under chapter 285, unless  
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11 department on a quarterly basis and the director shall not  
12 grant a refund of motor fuel or special fuel tax where a claim  
13 is not filed within one year from the date the tax was due.  
14 The claim shall contain the number of gallons purchased, the  
15 calculation of the amount of motor fuel and special fuel tax  
16 subject to refund and any other information required by the  
17 department necessary to process the refund.

18 Sec. 3. Section 324.35, unnumbered paragraphs 2, 3, and 4,  
19 Code 1985, are amended to read as follows:

20 Tax on special fuel sold to a regional transit system, the  
21 state of Iowa, any of its agencies, or any political  
22 subdivisions of the state ~~where-such~~ if the fuel is used for a  
23 purpose specified in section 324.57, subsection 11 or for  
24 public purposes is subject to refund, including tax paid on  
25 special fuel sold for the transportation of school pupils of  
26 approved public and nonpublic schools by a contract carrier  
27 who contracts with the public school under section 285.5 for  
28 the transportation of public and nonpublic school pupils under  
29 chapter 285. Claims shall be filed in accordance with the  
30 claims for motor fuel tax refunds provided by section 324.3.

31 No tax is imposed under this division on special fuel used  
32 in the operation of an Iowa urban transit system ~~or-regional~~  
33 ~~transit-system~~, except that any special fuel sold to an Iowa  
34 urban transit system ~~or-regional-transit-system~~, which is used  
35 for any purpose other than as specified in section 324.57,

1 ~~subsections~~ subsection 9 and 11, is not exempt from the tax.

2 A tax shall not be imposed under this division and sections  
3 324.34, 324.36, and 324.38 are not applicable if special fuel  
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5 ~~transit system~~, a regional transit system, or a political  
6 subdivision of the state when the special fuel is delivered  
7 into storage tanks, regardless of size, and all of the special  
8 fuel is used for public purposes or for a purpose specified in  
9 section 324.57, subsection 11.

10 Sec. 4. Section 805.8, subsection 2, paragraph p, Code  
11 1985, is amended by striking the paragraph.

12 EXPLANATION

13 This bill requires that regional transit systems purchase  
14 fuel tax paid and apply for a refund unless the fuel is de-  
15 livered into storage in which case the fuel may be purchased  
16 tax free.

17 The bill also strikes a scheduled fine of ten dollars for  
18 violations of section 324.52 or 324.74, subsection 2 or 6.  
19 With the scheduled fine removed, the penalty for violating  
20 section 324.52 is a simple misdemeanor and the penalty for  
21 violating section 324.74, subsection 2 or 6 is the same as for  
22 a fraudulent practice.

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HOUSE FILE 717

AN ACT

RELATING TO THE PURCHASE OF MOTOR FUEL BY A REGIONAL TRANSIT SYSTEM, PROVIDING FOR A TAX REFUND, AND PROVIDING PENALTIES.

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

Section 1. Section 324.2, Code 1985, is amended by adding the following new subsections:

NEW SUBSECTION. 8. "Urban transit system" means Iowa urban transit system as defined in section 324.57, subsection 9.

NEW SUBSECTION. 9. "Regional transit system" means regional transit system as defined in section 324.57, subsection 11.

Sec. 2. Section 324.3, subsection 4, Code 1985, is amended to read as follows:

4. Motor fuel used in the operation of an Iowa urban transit system ~~or regional transit system~~. Any ~~However~~, fuel sold to an Iowa urban transit system ~~or regional transit system~~ which is used for a purpose other than as specified in section 324.57, ~~subsections subsection 9 and 11~~, is not exempt from the tax.

Sec. 3. Section 324.3, subsection 5, unnumbered paragraphs 1 and 2, Code 1985, are amended to read as follows:

Motor fuel sold to a regional transit system, the state, any of its agencies, or to any political subdivision of the state, which is used for a purpose specified in section 324.57, subsection 11 or for public purposes and delivered into any size of storage tank owned or used exclusively by a regional transit system, the state, any of its agencies, or a political subdivision of the state. The department of revenue shall issue exemption certificate forms to a regional transit

system, the state, its agencies, and political subdivisions of the state, or a regional transit system, the state, any of its agencies, or a political subdivision of the state, or a licensed motor fuel distributor may provide its own certificate of exemption in the form prescribed by the director, to a distributor or dealer to substantiate tax-exempt sales of motor fuel under this subsection. The certificate of exemption shall state that all of the motor fuel delivered into the storage tank shall be used for a purpose specified in section 324.57, subsection 11, or be used for public purposes.

Motor fuel shall be sold tax paid to a regional transit system, 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 a purpose specified in section 324.57, subsection 11 or 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 ~~with shall~~ 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.

Sec. 4. Section 324.33, Code 1985, is amended by adding the following new subsection:

NEW SUBSECTION. 9. "Urban transit system" means Iowa urban transit system as defined in section 324.57, subsection 9.

NEW SUBSECTION. 10. "Regional transit system" means regional transit system as defined in section 324.57, subsection 11.

Sec. 5. Section 324.35, unnumbered paragraphs 2, 3, and 4, Code 1985, are amended to read as follows:

Tax on special fuel sold to a regional transit system, the state of Iowa, any of its agencies, or any political subdivisions of the state ~~where such~~ if the fuel is used for a purpose specified in section 324.57, subsection 11 or for public purposes is subject to refund, including tax paid on special 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 shall be filed in accordance with the claims for motor fuel tax refunds provided by section 324.3.

No tax is imposed under this division on special fuel used in the operation of an Iowa urban transit system ~~or regional transit system~~, except that any special fuel sold to an Iowa urban transit system ~~or regional transit system~~ which is used for any purpose other than as specified in section 324.57, ~~subsections 9 and 11~~, is not exempt from the tax.

A tax shall not be imposed under this division and sections 324.34, 324.36, and 324.38 are not applicable if special fuel is sold to the state, any of its agencies, ~~an Iowa urban transit system~~, a regional transit system, or a political subdivision of the state when the special fuel is delivered into storage tanks, regardless of size, and all of the special fuel is used for public purposes ~~or for a purpose specified in section 324.57, subsection 11~~.

Sec. 6. Section 805.8, subsection 2, paragraph p, Code 1985, is amended by striking the paragraph.

-----  
DONALD D. AVENSON  
Speaker of the House

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ROBERT T. ANDERSON  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 717, Seventy-first General Assembly.

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JOSEPH O'HERN  
Chief Clerk of the House  
Approved April 21, 1986

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TERRY E. BRANSTAD  
Governor