

SENATE FILE 580

BY COMMITTEE ON WAYS AND MEANS

*Approved (p. 1770)*

FILED APR 29 1985

Passed Senate, Date 4-30-85 (p. 1798) Passed House, Date 5-4-85 (p. 2333)

Vote: Ayes 45 Nays 4 Vote: Ayes 92 Nays 3

Approved May 21, 1985

### A BILL FOR

1 An Act exempting from the state sales, services, and use tax  
 2 the gross receipts from the rental of motion picture films,  
 3 video and audio tapes and discs, records, photos, copy,  
 4 scripts or other media used for the purpose of transmitting  
 5 that which can be seen, heard or read under certain con-  
 6 ditions.

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

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*085 to J*

1 Section 1. Section 422.45, Code 1985, is amended by adding  
2 the following new subsection;

3 NEW SUBSECTION. The gross receipts from the rental of  
4 motion picture films, video and audio tapes, video and audio  
5 discs, records, photos, copy, scripts or other media used for  
6 the purpose of transmitting that which can be seen, heard or  
7 read, if either of the following conditions are met:

8 a. The lessee imposes a charge for the viewing or the  
9 rental of such media and the charge for the viewing or the  
10 rental is subject to taxation under this division or chapter  
11 423.

12 b. The lessee broadcasts the contents of such media for  
13 public viewing or listening.

14 The exemption provided for in this subsection applies to  
15 all payments on or after July 1, 1984.

16 EXPLANATION

17 The bill provides that gross receipts from the rental of  
18 motion picture film, video and audio tapes and discs, records,  
19 photos, copy, scripts and other media used for the purpose of  
20 transmitting that which can be seen, heard or read, are exempt  
21 from the sales, services, and use tax if a charge which is  
22 subject to the sales, services, and use tax is imposed for  
23 viewing or use of such media or if the contents are broadcast  
24 for public viewing or listening.

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SENATE FILE 580  
AS PASSED BY SENATE  
FISCAL NOTE

REQUESTED BY REPRESENTATIVE GRONINGA

In compliance with a written request received April 30, 1985, a fiscal note for SENATE FILE 580 AS PASSED SENATE is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note are available from the Legislative Fiscal Bureau to members of the Legislature upon request.

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Senate File 580 as passed the Senate provides that the gross receipts from the rental of motion picture film, video and audio tapes and discs, records, photographs, copy, scripts, and other media used for the purpose of transmitting that which can be seen, heard, or read, are exempt from the sales, services, and use tax if a charge which is subject to taxation is imposed for viewing or listening.

The exemption provided for in the bill applies to all payments made on or after July 1, 1984.

FISCAL EFFECT: The General Fund balance would be reduced as a result of Senate File 580. For fiscal 1985, 35 refund claims in the amount of \$186,794 had been filed by ten organizations (six in the motion picture industry, four in the radio and television business) had been filed with the Department of Revenue as of March 30, 1985.

The yearly total fiscal effect is unknown.

SOURCE: Department of Revenue

(LSB 2908S, RJH)

FILED MAY 2, 1985

BY DENNIS PROUTY, FISCAL DIRECTOR

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The exemption provided for in this subsection applies to all payments on or after July 1, 1984.

SENATE FILE 580

AN ACT

EXEMPTING FROM THE STATE SALES, SERVICES, AND USE TAX THE GROSS RECEIPTS FROM THE RENTAL OF MOTION PICTURE FILMS, VIDEO AND AUDIO TAPES AND DISCS, RECORDS, PHOTOS, COPY, SCRIPTS OR OTHER MEDIA USED FOR THE PURPOSE OF TRANSMITTING THAT WHICH CAN BE SEEN, HEARD OR READ UNDER CERTAIN CONDITIONS.

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

Section 1. Section 422.45, Code 1985, is amended by adding the following new subsection:

NEW SUBSECTION. The gross receipts from the rental of motion picture films, video and audio tapes, video and audio discs, records, photos, copy, scripts or other media used for the purpose of transmitting that which can be seen, heard or read, if either of the following conditions are met:

a. The lessee imposes a charge for the viewing or the rental of such media and the charge for the viewing or the rental is subject to taxation under this division or chapter 423.

b. The lessee broadcasts the contents of such media for public viewing or listening.

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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 580, Seventy-first General Assembly.

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K. MARIE THAYER  
Secretary of the Senate

Approved May 31, 1985

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TERRY E. BRANSTAD  
Governor