

For Ways & Means to Pass 4/13 (p. 15-26)

MAR 23 1988

WAYS & MEANS CALENDAR

HOUSE FILE 2458

BY COMMITTEE ON WAYS AND MEANS

(Formerly House Study Bill 567)

Passed House, Date 4/4/88 (p. 1352) Passed Senate, Date 4/15/88 (p. 1357)

Vote: Ayes 89 Nays 9 Vote: Ayes 29 Nays 6

Approved May 2, 1988

A BILL FOR

1 An Act relating to the exemption from the state sales, services,  
2 and use taxes of the gross receipts from the sales of modular  
3 homes which are not attributable to the cost of the tangible  
4 personal property used in the processing of the modular homes.

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

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HF 2458

1 Section 1. Section 422.45, Code Supplement 1987, is  
2 amended by adding the following new subsection:  
3 NEW SUBSECTION. 36. The gross receipts from the sale of a  
4 modular home, as defined in section 135D.1, to the extent of  
5 the portion of the purchase price of the modular home which is  
6 not attributable to the cost of the tangible personal property  
7 used in the processing of the modular home. For purposes of  
8 this exemption, the portion of the purchase price which is not  
9 attributable to the cost of the tangible personal property  
10 used in the processing of the modular home is forty percent.

11 EXPLANATION

12 The bill exempts 40 percent of the purchase price of a  
13 modular home from the state sales and use tax which is the  
14 same percentage as is exempt from the purchase price of a  
15 mobile home.

16 SUCCESSOR TO HSB 567 (LSB 7693HC)

17  
HOUSE FILE 2458  
FISCAL NOTE

In compliance with a written request received March 23, 1988, a fiscal note for **HOUSE FILE 2458** 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.

House File 2458 exempts 40 percent of the purchase price of a modular home from the state sales and use tax which is the same percentage as is exempt from the purchase price of a mobile home.

**FISCAL EFFECT**

The bill is estimated to reduce General Fund revenues by \$150,000 to \$200,000 annually.

Source: Building Code Office, Dept. of Public Safety, Fire Marshall Division  
(LSB 7693h, PDD)

FILED MARCH 24, 1988

BY DENNIS PROUTY, FISCAL DIRECTOR

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LSB 7693HV 72

HOUSE FILE 2458

S-6041

1 Amend House File 2458 as passed by the House as  
2 follows:

3 1. Page 1, by inserting before line 1 the  
4 following:

5 "Sec. \_\_\_\_ . Section 421.17, subsection 23,  
6 paragraphs e and g, Code Supplement 1987, are amended  
7 to read as follows:

8 e. Upon notice of entitlement to a refund or  
9 rebate, the college aid commission or its servicer  
10 shall send written notification to the defaulter, and  
11 a copy of the notice to the department of revenue and  
12 finance, of the commission's assertion of its rights  
13 to all or a portion of the defaulter's refund or  
14 rebate and the entitlement to recover the amount of  
15 the default through the setoff procedure, the basis of  
16 the assertion, the defaulter's opportunity to request  
17 that a joint income tax refund or rebate be divided  
18 between spouses, the defaulter's opportunity to give  
19 written notice of intent to contest the claim, and the  
20 fact that failure to contest the claim by written  
21 application for a hearing before a specified date will  
22 result in a waiver of the opportunity to contest the  
23 claim, causing final setoff by default. Upon  
24 application, the commission shall grant a hearing  
25 pursuant to chapter 17A. An appeal taken from the  
26 decision of a hearing officer and any subsequent  
27 appeals shall be taken pursuant to chapter 17A.

28 g. The department of revenue and finance shall,  
29 after notice has been sent to the defaulter by the  
30 college aid commission or its servicer, set off the  
31 amount of the default against the defaulter's income  
32 tax refund or rebate if both the amount of the default  
33 and the refund or rebate are at least fifty dollars.  
34 The department shall refund any balance of the income  
35 tax refund or rebate to the defaulter. The department  
36 of revenue and finance shall periodically transfer the  
37 amount set off to the college aid commission. If the  
38 defaulter gives written notice of intent to contest  
39 the claim, the commission shall hold the refund or  
40 rebate until final disposition of the contested claim  
41 pursuant to chapter 17A or by court judgment. The  
42 commission shall notify the defaulter in writing upon  
43 completion of setoff."

S-6041

Filed April 15, 1988

WITHDRAWN

(p. 1651)

BY RAY TAYLOR

HSB 567

WAYS AND MEANS 2458

House Study Bill 567  
Ways and Means: Fey, Chair; Johnson and Metcalf.

HOUSE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON WAYS  
AND MEANS BILL)

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

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HOUSE FILE 2458

AN ACT

RELATING TO THE EXEMPTION FROM THE STATE SALES, SERVICES, AND USE TAXES OF THE GROSS RECEIPTS FROM THE SALES OF MODULAR HOMES WHICH ARE NOT ATTRIBUTABLE TO THE COST OF THE TANGIBLE PERSONAL PROPERTY USED IN THE PROCESSING OF THE MODULAR HOMES.

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

Section 1. Section 422.45, Code Supplement 1987, is amended by adding the following new subsection:

NEW SUBSECTION. 36. The gross receipts from the sale of a modular home, as defined in section 135D.1, to the extent of the portion of the purchase price of the modular home which is not attributable to the cost of the tangible personal property used in the processing of the modular home. For purposes of this exemption, the portion of the purchase price which is not

\_\_\_\_\_  
DONALD D. AVENSON  
Speaker of the House

\_\_\_\_\_  
JO ANN ZIMMERMAN  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2458, Seventy-second General Assembly.

Approved May 2, 1988

\_\_\_\_\_  
JOSEPH O'HERN  
Chief Clerk of the House

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TERRY E. BRANSTAD  
Governor

HF 2458