

*Reprinted*

MAR 11 1992

HOUSE FILE 2449  
BY COMMITTEE ON WAYS AND MEANS

WAYS & MEANS

(SUCCESSOR TO HF 2023)

Passed House, Date 3/31/92 (p. 959) Passed Senate, Date 4/15/92  
Vote: Ayes 97 Nays 0 Vote: Ayes 47 Nays 0  
Approved April 29, 1992

A BILL FOR

1 An Act relating to the exemption of prosthetic devices from the  
2 state sales and use tax.

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

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HF 2449

1 Section 1. Section 422.45, subsection 15, Code Supplement  
2 1991, is amended by adding the following new unnumbered  
3 paragraph:

4 NEW UNNUMBERED PARAGRAPH. For purposes of this subsection,  
5 "prosthetic devices" includes but is not limited to ostomy,  
6 urological, and tracheostomy devices and supplies which may be  
7 dispensed with or without a prescription.

8 EXPLANATION

9 This bill exempts from the state sales and use tax the sale  
10 of ostomy, urological, and tracheostomy devices and supplies  
11 as prosthetic devices.

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HOUSE FILE 2449  
FISCAL NOTE

A fiscal note for House File 2449 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

House File 2449 revises the sales and use tax exemption for prosthetic devices to include but not be limited to ostomy, urological, and tracheostomy devices and supplies which may be dispensed with or without a prescription. The bill is effective July 1, 1992.

Fiscal Impact

The Department has indicated that there is not enough information available to estimate the impact of this exemption on current revenues. However, some audits have been done which indicate that significant amounts of tax liability have not been collected.

Source: Department of Revenue and Finance

(LSB 5041hv, PDD)

FILED MARCH 12, 1992

BY DENNIS PROUTY, FISCAL DIRECTOR

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HOUSE FILE 2449

H-5430

Amend House File 2449 as follows:

1. By inserting before line 1 the following:

"Section 1. Section 422.45, subsection 13, Code Supplement 1991, is amended to read as follows:

13. The gross receipts from the sale or rental of prescription drugs or devices, as defined in chapter 155A, if dispensed for human use or consumption by a registered pharmacist licensed under chapter 155A, a physician and surgeon licensed under chapter 148, an osteopath licensed under chapter 150, an osteopathic physician and surgeon licensed under chapter 150A, a dentist licensed under chapter 153, or a podiatrist licensed under chapter 149.

Sec. \_\_\_\_ . Section 422.45, Code Supplement 1991, is amended by adding the following new subsection:

NEW SUBSECTION. 13A. The gross receipts from the sale or rental to any person of drugs, devices, equipment and supplies which are covered by Title XVIII or Title XIX of the federal Social Security Act."

2. By inserting after line 7 the following:

"Sec. \_\_\_\_ . Section 422.45, subsection 16, Code Supplement 1991, is amended to read as follows:

16. Gross receipts from the sale of oxygen ~~prescribed by a licensed physician or surgeon, osteopath, or osteopathic physician or surgeon or~~ oxygen equipment for human use or consumption."

3. By inserting before line 8, the following:

"Sec. \_\_\_\_ . RETROACTIVE APPLICABILITY. This Act is retroactively applicable to January 1, 1987. Claims for refund of tax, interest, or penalty which arise under this Act occurring between January 1, 1987, and June 30, 1992, shall not be allowed unless filed prior to December 31, 1992, notwithstanding any other provision of law."

4. Title page, line 1, by inserting after the word "devices" the following: "oxygen equipment, and certain other drugs and devices".

5. Title page, line 2, by inserting after the word "tax" the following: "and providing a retroactive applicability date".

6. By renumbering as necessary.

By BURKE of Marshall

H-5430 FILED MARCH 20, 1992

*Adopted 3/21/92*

HOUSE FILE 2449

H-5491

1 Amend the amendment, H-5430, to House File 2449, as follows:

1. Page 1, line 30, by striking the word "Claims".

2. Page 1, by striking lines 31 through 35.

By BURKE of Marshall

H-5491 FILED MARCH 24, 1992

*Adopted 3/31*

Done W/pt 4/11/92 4/2 To Pass 4/9 (p 1325)

HOUSE FILE 2449  
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 2023)

(As Amended and Passed by the House March 31, 1992)

Passed House, Date 3/31/92 (p 950) Passed Senate, Date April 15, 1992  
Vote: Ayes 97 Nays 0 Vote: Ayes 47 Nays 0  
Approved April 29, 1992 (p 1914)

A BILL FOR

1 An Act relating to the exemption of prosthetic devices oxygen  
2 equipment, and certain other drugs and devices from the state  
3 sales and use tax and providing a retroactive applicability  
4 date.

HOUSE FILE 2449

S-5647

1 Amend House File 2449, as amended, passed, and  
2 reprinted by the House, as follows:  
3 1. Page 1, line 3, by striking the words "or  
4 rental".  
5 2. Page 1, by striking line 4 and inserting the  
6 following: "prescription drugs, as defined in chapter  
7 155A, except devices, if".  
8 3. Page 1, by striking lines 17 through 35 and  
9 inserting the following:  
10 "Sec. \_\_\_\_ . Section 422.45, subsections 14, 15, and  
11 16, Code Supplement 1991, are amended by striking the  
12 subsections.  
13 Sec. \_\_\_\_ . Section 2 of this Act is retroactively  
14 applicable to January 1, 1987."  
15 4. Title page, by striking lines 1 through 4 and  
16 inserting the following: "An Act relating to the  
17 exemption of prescription drugs and certain other  
18 drugs and devices from the state sales and use tax and  
19 providing a retroactive applicability date."  
20 5. By renumbering, relettering, and redesignating  
21 as necessary.

By WILLIAM W. DIELEMAN  
WILLIAM PALMER

W/pt 4/15 (p 1427)

S-5647 FILED APRIL 13, 1992

1 Section 1. Section 422.45, subsection 13, Code Supplement  
2 1991, is amended to read as follows:

3 13. The gross receipts from the sale or rental of  
4 prescription drugs or devices, as defined in chapter 155A, if  
5 dispensed for human use or consumption by a registered  
6 pharmacist licensed under chapter 155A, a physician and  
7 surgeon licensed under chapter 148, an osteopath licensed  
8 under chapter 150, an osteopathic physician and surgeon  
9 licensed under chapter 150A, a dentist licensed under chapter  
10 153, or a podiatrist licensed under chapter 149.

11 Sec. 2. Section 422.45, Code Supplement 1991, is amended  
12 by adding the following new subsection:

13 NEW SUBSECTION. 13A. The gross receipts from the sale or  
14 rental to any person of drugs, devices, equipment and supplies  
15 which are covered by Title XVIII or Title XIX of the federal  
16 Social Security Act.

17 Sec. 3. Section 422.45, subsection 15, Code Supplement  
18 1991, is amended by adding the following new unnumbered  
19 paragraph:

20 NEW UNNUMBERED PARAGRAPH. For purposes of this subsection,  
21 "prosthetic devices" includes but is not limited to ostomy,  
22 urological, and tracheostomy devices and supplies which may be  
23 dispensed with or without a prescription.

24 Sec. 4. Section 422.45, subsection 16, Code Supplement  
25 1991, is amended to read as follows:

26 16. Gross receipts from the sale of oxygen prescribed-by-a  
27 licensed-physician-or-surgeon, osteopath, or osteopathic  
28 physician-or-surgeon or oxygen equipment for human use or  
29 consumption.

30 Sec. 5. RETROACTIVE APPLICABILITY. This Act is  
31 retroactively applicable to January 1, 1987. Claims for  
32 refund of tax, interest, or penalty which arise under this Act  
33 occurring between January 1, 1987, and June 30, 1992, shall  
34 not be allowed unless filed prior to December 31, 1992,  
35 notwithstanding any other provision of law.

HOUSE FILE 2449

AN ACT

RELATING TO THE EXEMPTION OF PROSTHETIC DEVICES, OXYGEN EQUIPMENT, AND CERTAIN OTHER DRUGS AND DEVICES FROM THE STATE SALES AND USE TAX AND PROVIDING A RETROACTIVE APPLICABILITY DATE.

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

Section 1. Section 422.45, subsection 15, Code Supplement 1991, is amended to read as follows:

13. The gross receipts from the sale or rental of prescription drugs or devices, as defined in chapter 155A, as dispensed for human use or consumption by a registered pharmacist licensed under chapter 155A, a physician and surgeon licensed under chapter 148, an osteopath licensed under chapter 150, an osteopathic physician and surgeon licensed under chapter 150A, a dentist licensed under chapter 153, or a podiatrist licensed under chapter 149.

Sec. 2. Section 422.45, Code Supplement 1991, is amended by adding the following new subsection:

NEW SUBSECTION. 13A. The gross receipts from the sale or rental to any person of drugs, devices, equipment and supplies which are covered by Title XVIII or Title XIX of the Federal Social Security Act.

Sec. 3. Section 422.45, subsection 15, Code Supplement 1991, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. For purposes of this subsection, "prosthetic devices" includes but is not limited to ostomy, urological, and tracheostomy devices and supplies which may be dispensed with or without a prescription.

Sec. 4. Section 422.45, subsection 16, Code Supplement 1991, is amended to read as follows:

16. Gross receipts from the sale of oxygen prescribed by a licensed physician or naturopath-osteopathy or osteopathic physician or surgeon or oxygen equipment for human use or consumption.

Sec. 5. RETROACTIVE APPLICABILITY. This Act is retroactively applicable to January 1, 1987. Claims for refund of tax, interest, or penalty which arise under this Act occurring between January 1, 1987, and June 30, 1992, shall not be allowed unless filed prior to December 31, 1992, notwithstanding any other provision of law.

ROBERT C. ARNOULD  
Speaker of the House

MICHAEL D. GRONSTAL  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2449, Seventy-fourth General Assembly.

JOSEPH O'BERN  
Chief Clerk of the House

Approved *April 29*, 1992

TERRY E. SPANSTAD  
Governor