

Substituted for HF 2491
FILED MAY 20 1992

SENATE FILE 2381
BY COMMITTEE ON WAYS AND MEANS

Passed Senate, Date 5/21/92 (p. 12) Passed House, Date 5/21/92 (p. 10)
Vote: Ayes 43 Nays 3 Vote: Ayes 81 Nays 16
Approved May 28, 1992

Re Passed Senate (p. 18)
Ayes 42 - Nays 2

A BILL FOR

1 An Act relating to the repeal of the state sales, services, and
2 use taxes on consulting services and providing effective and
3 retroactive applicability date provisions.

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

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SF 2381

1 Section 1. Section 422.43, subsection 11, unnumbered
2 paragraph 1, Code Supplement 1991, as amended by 1992 Iowa
3 Acts, Senate File 2116, section 405, is amended to read as
4 follows:

5 The following enumerated services are subject to the tax
6 imposed on gross taxable services: alteration and garment
7 repair; armored car; automobile repair; battery, tire and
8 allied; investment counseling; service charges of all
9 financial institutions; barber and beauty; boat repair; car
10 wash and wax; carpentry; roof, shingle, and glass repair;
11 ~~consultant-services~~; dance schools and dance studios; dating
12 services; dry cleaning, pressing, dyeing, and laundering;
13 electrical and electronic repair and installation; rental of
14 tangible personal property, except mobile homes which are
15 tangible personal property; excavating and grading; farm
16 implement repair of all kinds; flying service; furniture, rug,
17 upholstery repair and cleaning; fur storage and repair; golf
18 and country clubs and all commercial recreation; house and
19 building moving; household appliance, television, and radio
20 repair; jewelry and watch repair; limousine service, including
21 driver; machine operator; machine repair of all kinds; motor
22 repair; motorcycle, scooter, and bicycle repair; oilers and
23 lubricators; office and business machine repair; painting,
24 papering, and interior decorating; parking facilities; pipe
25 fitting and plumbing; wood preparation; licensed executive
26 search agencies; private employment agencies, excluding
27 services for placing a person in employment where the
28 principal place of employment of that person is to be located
29 outside of the state; sewage services for nonresidential
30 commercial operations; sewing and stitching; shoe repair and
31 shoeshine; sign construction and installation; storage of
32 household goods, mini-storage, and warehousing of raw
33 agricultural products; swimming pool cleaning and maintenance;
34 taxidermy services; telephone answering service; test
35 laboratories, except tests on humans or animals, termite, bug,

1 roach, and pest eradicators; tin and sheet metal repair;
2 turkish baths, massage, and reducing salons; weighing;
3 welding; well drilling; wrapping, packing, and packaging of
4 merchandise other than processed meat, fish, fowl and
5 vegetables; wrecking service; wrecker and towing; pay
6 television; campgrounds; carpet and upholstery cleaning; gun
7 and camera repair; janitorial and building maintenance or
8 cleaning; lawn care, landscaping and tree trimming and
9 removal; pet grooming; reflexology; security and detective
10 services; tanning beds or salons; and water conditioning and
11 softening.

12 Sec. 2. Section 422.43, subsection 11, unnumbered
13 paragraph 3, as enacted by 1992 Iowa Acts, Senate File 2116,
14 section 406, is amended by striking the unnumbered paragraph.

15 Sec. 3. Claims for refund of tax, interest, or penalty
16 which arise as a result of the repeal of the state sales,
17 services, and use taxes on consulting services under this Act
18 shall not be allowed unless filed prior to October 1, 1992,
19 notwithstanding any other provision of law.

20 Sec. 4. This Act, being deemed of immediate importance,
21 takes effect upon enactment. Sections 1 and 2 of this Act
22 apply retroactively to April 1, 1992.

23 EXPLANATION

24 The bill repeals the sales and use taxes on consulting
25 services. The repeal applies retroactively to April 1, 1992,
26 when the sales and use taxes were imposed on consulting
27 services. If a person has paid the tax, the person may claim
28 a refund if the claim is filed prior to October 1, 1992.

29 The bill takes effect upon enactment.

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HOUSE AMENDMENT TO
SENATE FILE 2381

S-5985

1 Amend Senate File 2381, as passed by the Senate, as
2 follows:

3 1. Page 2, by inserting after line 19 the
4 following:

5 "Sec. ____ . 1992 Iowa Acts, Senate File 2034,
6 section 40, if enacted by the Seventy-fourth General
7 Assembly, 1992 Session, is amended to read as follows:

8 SEC. 40. Section 18 of this Act is ~~retroactively~~
9 ~~applicable to January~~ effective July 1, 1992, for tax
10 years beginning on or after that date."

11 2. Title page, line 2, by inserting after the
12 word "services" the following: "and the filing of
13 consolidated returns under the state corporate income
14 tax".

15 3. By renumbering, relettering, or redesignating
16 and correcting internal references as necessary.

RECEIVED FROM THE HOUSE

S-5985 FILED MAY 21, 1992
CONCURRED (p.17)

SENATE FILE 2381

H-6124

1 Amend Senate File 2381, as passed by the Senate, as
2 follows:

3 1. Page 2, by inserting after line 19 the
4 following:

5 "Sec. ____ 1992 Iowa Acts, Senate File 2034,
6 section 40, if enacted by the Seventy-fourth General
7 Assembly, 1992 Session, is amended to read as follows:
8 SEC. 40. Section 18 of this Act is ~~retroactively~~
9 ~~applicable-to-January~~ effective July 1, 1992, for tax
10 years beginning on or after that date."

By GRONINGA of Cerro Gordo

H-6124 FILED MAY 21, 1992

ADOPTED (p.9)

SENATE FILE 2381

H-6125

1 Amend Senate File 2381, as passed by the Senate,
2 as follows:

3 1. Title page, line 2, by inserting after the word
4 "services" the following: "and the filing of consolidated
5 returns under the state corporate income tax".

By GRONINGA of Cerro Gordo

H-6125 FILED MAY 21, 1992

ADOPTED BY UNANIMOUS CONSENT (p.10)

SENATE FILE 2381

AN ACT

RELATING TO THE REPEAL OF THE STATE SALES, SERVICES, AND USE TAXES ON CONSULTING SERVICES AND THE FILING OF CONSOLIDATED RETURNS UNDER THE STATE CORPORATE INCOME TAX AND PROVIDING EFFECTIVE AND RETROACTIVE APPLICABILITY DATE PROVISIONS.

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

Section 1. Section 422.43, subsection 11, unnumbered paragraph 1, Code Supplement 1991, as amended by 1992 Iowa Acts, Senate File 2116, section 405, is amended to read as follows:

The following enumerated services are subject to the tax imposed on gross taxable services: alteration and garment repair; armored car; automobile repair; battery, tire and allied; investment counseling; service charges of all financial institutions; barber and beauty; boat repair; car wash and wax; carpentry; roof, shingle, and glass repair; consultant-services; dance schools and dance studios; dating services; dry cleaning, pressing, dyeing, and laundering; electrical and electronic repair and installation; rental of tangible personal property, except mobile homes which are tangible personal property; excavating and grading; farm implement repair of all kinds; flying service; furniture, rug, upholstery repair and cleaning; fur storage and repair; golf and country clubs and all commercial recreation; house and building moving; household appliance, television, and radio repair; jewelry and watch repair; limousine service, including driver; machine operator; machine repair of all kinds; motor repair; motorcycle, scooter, and bicycle repair; oilers and lubricators; office and business machine repair; painting, papering, and interior decorating; parking facilities; pipe

fitting and plumbing; wood preparation; licensed executive search agencies; private employment agencies, excluding services for placing a person in employment where the principal place of employment of that person is to be located outside of the state; sewage services for nonresidential commercial operations; sewing and stitching; shoe repair and shoeshine; sign construction and installation; storage of household goods, mini-storage, and warehousing of raw agricultural products; swimming pool cleaning and maintenance; taxidermy services; telephone answering service; test laboratories, except tests on humans or animals; termite, bug, roach, and pest eradicators; tin and sheet metal repair; turkish baths, massage, and reducing salons; weighing; welding; well drilling; wrapping, packing, and packaging of merchandise other than processed meat, fish, fowl and vegetables; wrecking service; wrecker and towing; pay television; campgrounds; carpet and upholstery cleaning; gun and camera repair; janitorial and building maintenance or cleaning; lawn care, landscaping and tree trimming and removal; pet grooming; reflexology; security and detective services; tanning beds or salons; and water conditioning and softening.

Sec. 2. Section 422.43, subsection 11, unnumbered paragraph 3, as enacted by 1992 Iowa Acts, Senate File 2116, section 406, is amended by striking the unnumbered paragraph.

Sec. 3. Claims for refund of tax, interest, or penalty which arise as a result of the repeal of the state sales, services, and use taxes on consulting services under this Act shall not be allowed unless filed prior to October 1, 1992, notwithstanding any other provision of law.

Sec. 4. 1992 Iowa Acts, Senate File 2034, section 40, if enacted by the Seventy-fourth General Assembly, 1992 Session, is amended to read as follows:

SEC. 40. Section 18 of this Act is retroactively applicable to January effective July 1, 1992, for tax years beginning on or after that date.

Sec. 5. This Act, being deemed of immediate importance, takes effect upon enactment. Sections 1 and 2 of this Act apply retroactively to April 1, 1992.

MICHAEL E. GRONSTAL
President of the Senate

ROBERT C. ARNOULD
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2381, Seventy-fourth General Assembly.

JOHN F. DWYER
Secretary of the Senate

Approved May 28, 1992

TERRY E. BRANSTAD
Governor