

House 4/26/93 Amend/Do Pass
W/H-4203

FILED APR 14 1993

SENATE FILE 410
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SF 161)

Passed Senate, Date 4/21/93 (P. 1265) Passed House, Date 4/29/93 (P. 1839)
Vote: Ayes 50 Nays 0 Vote: Ayes 95 Nays 5
Approved May 19, 1993

Repassed Senate
49-1 4/30/93 (p. 1495)

A BILL FOR

1 An Act relating to the sales, services, and use tax exemption for
2 sales of educational, religious, or charitable activities.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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SF 410

1 Section 1. Section 422.45, subsection 3, Code 1993, is
2 amended to read as follows:

3 3. The gross receipts from sales of educational,
4 religious, or charitable activities, where the entire proceeds
5 therefrom from the sales are expended for educational,
6 religious, or charitable purposes, except the gross receipts
7 from games of skill, games of chance, raffles and bingo games
8 as defined in chapter 99B. This exemption is disallowed on
9 the amount of the gross receipts only to the extent the gross
10 receipts are not expended for educational, religious, or
11 charitable purposes.

12 EXPLANATION

13 Present sales and use tax exemption for sales of
14 educational, religious, or charitable activities requires all
15 receipts to be expended for educational, religious, or
16 charitable purposes. The bill provides that if an exemption
17 is disallowed, it is only disallowed to the extent of the
18 amount of receipts not expended for educational, religious, or
19 charitable purposes.

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SENATE FILE 410
FISCAL NOTE

A fiscal note for Senate File 410 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.

Senate File 410 relates to the sales, services, and use tax exemption for sales of educational, religious, or charitable activities. Currently, the sales and use tax exemption for sales of educational, religious, or charitable activities requires all receipts to be expended for educational, religious, or charitable purposes. The bill provides that if an exemption is disallowed, it is only disallowed to the extent of the amount of receipts not expended for educational, religious, or charitable purposes.

Fiscal Impact:

The bill would reduce General Fund revenues beginning FY 1994 by an unknown amount.

Source: Department of Revenue and Finance

(LSB 2082sv, PDD)

FF APRIL 19, 1993

BY DENNIS PROUTY, FISCAL DIRECTOR

SENATE FILE 410

H-4203

- 1 Amend Senate File 410, as passed by the Senate, as
2 follows:
3 1. Page 1, by inserting before line 1 the
4 following:
5 "Section 1. Section 422.43, subsection 1, Code
6 1993, is amended to read as follows:
7 1. There is imposed a tax of five percent upon the
8 gross receipts from all sales of tangible personal
9 property, consisting of goods, wares, or merchandise,
10 except as otherwise provided in this division, sold at
11 retail in the state to consumers or users; a like rate
12 of tax upon the gross receipts from the sales,
13 furnishing, or service of gas, electricity, water,
14 heat, pay television service, and communication
15 service, including the gross receipts from such sales
16 by any municipal corporation or joint water utility
17 furnishing gas, electricity, water, heat, pay
18 television service, and communication service to the
19 public in its proprietary capacity, except as
20 otherwise provided in this division, when sold at
21 retail in the state to consumers or users; a like rate
22 of tax upon the gross receipts from all sales of
23 tickets or admissions to places of amusement, fairs,
24 and athletic events except those of elementary and
25 secondary educational institutions; a like rate of tax
26 on the gross receipts from an entry fee or like charge
27 imposed solely for the privilege of participating in
28 an activity at a place of amusement, fair, or athletic
29 event unless the gross receipts from the sales of
30 tickets or admissions charges for observing the same
31 activity are taxable under this division; and a like
32 rate of tax upon that part of private club membership
33 fees or charges paid for the privilege of
34 participating in any athletic sports provided club
35 members."
36 2. Title page, line 1, by inserting after the
37 word "the" the following: "sales tax on certain entry
38 fees and the".
39 3. By renumbering as necessary.

By COMMITTEE ON WAYS AND MEANS
HANSON of Delaware, Chairperson

H-4203 FILED APRIL 26, 1993

adapted 4-29-93 (P. 1839)

HOUSE AMENDMENT TO
SENATE FILE 410

S-3715

1 Amend Senate File 410, as passed by the Senate, as
2 follows:

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

5 "Section 1. Section 422.43, subsection 1, Code
6 1993, is amended to read as follows:

7 1. There is imposed a tax of five percent upon the
8 gross receipts from all sales of tangible personal
9 property, consisting of goods, wares, or merchandise,
10 except as otherwise provided in this division, sold at
11 retail in the state to consumers or users; a like rate
12 of tax upon the gross receipts from the sales,
13 furnishing, or service of gas, electricity, water,
14 heat, pay television service, and communication
15 service, including the gross receipts from such sales
16 by any municipal corporation or joint water utility
17 furnishing gas, electricity, water, heat, pay
18 television service, and communication service to the
19 public in its proprietary capacity, except as
20 otherwise provided in this division, when sold at
21 retail in the state to consumers or users; a like rate
22 of tax upon the gross receipts from all sales of
23 tickets or admissions to places of amusement, fairs,
24 and athletic events except those of elementary and
25 secondary educational institutions; a like rate of tax
26 on the gross receipts from an entry fee or like charge
27 imposed solely for the privilege of participating in
28 an activity at a place of amusement, fair, or athletic
29 event unless the gross receipts from the sales of
30 tickets or admissions charges for observing the same
31 activity are taxable under this division; and a like
32 rate of tax upon that part of private club membership
33 fees or charges paid for the privilege of
34 participating in any athletic sports provided club
35 members."

36 2. Title page, line 1, by inserting after the
37 word "the" the following: "sales tax on certain entry
38 fees and the".

39 3. By renumbering as necessary.

RECEIVED FROM THE HOUSE

S-3715 FILED APRIL 29, 1993

Senate concurred 4/30/93 (p. 1494)

SENATE FILE 410

AN ACT

RELATING TO THE SALES TAX ON CERTAIN ENTRY FEES AND THE SALES,
SERVICES, AND USE TAX EXEMPTION FOR SALES OF EDUCATIONAL,
RELIGIOUS, OR CHARITABLE ACTIVITIES.

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

Section 1. Section 422.43, subsection 1, Code 1993, is amended to read as follows:

1. There is imposed a tax of five percent upon the gross receipts from all sales of tangible personal property, consisting of goods, wares, or merchandise, except as otherwise provided in this division, sold at retail in the state to consumers or users; a like rate of tax upon the gross receipts from the sales, furnishing, or service of gas, electricity, water, heat, pay television service, and communication service, including the gross receipts from such sales by any municipal corporation or joint water utility furnishing gas, electricity, water, heat, pay television service, and communication service to the public in its proprietary capacity, except as otherwise provided in this division, when sold at retail in the state to consumers or users; a like rate of tax upon the gross receipts from all sales of tickets or admissions to places of amusement, fairs, and athletic events except those of elementary and secondary educational institutions; a like rate of tax on the gross receipts from an entry fee or like charge imposed solely for the privilege of participating in an activity at a place of amusement, fair, or athletic event unless the gross receipts from the sales of tickets or admissions charges for observing the same activity are taxable under this division; and a like rate of tax upon that part of private club membership fees or charges paid for the privilege of participating in any athletic sports provided club members.

Sec. 2. Section 422.45, subsection 3, Code 1993, is amended to read as follows:

3. The gross receipts from sales of educational, religious, or charitable activities, where the entire proceeds therefrom from the sales are expended for educational, religious, or charitable purposes, except the gross receipts from games of skill, games of chance, raffles and bingo games as defined in chapter 99B. This exemption is disallowed on the amount of the gross receipts only to the extent the gross receipts are not expended for educational, religious, or charitable purposes.

LEONARD L. BOSWELL
President of the Senate

HAROLD VAN MAANEN
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 410, Seventy-fifth General Assembly.

JOHN P. DWYER
Secretary of the Senate

Approved May 19, 1993

TERRY E. BRANSTAD
Governor