

JAN 11 1996
WAYS AND MEANS

HOUSE FILE 2055
BY MUNDIE

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the exemption from the state sales, services,
2 and use taxes for computers sold or leased to insurance
3 companies.

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

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HF 2055

1 Section 1. Section 422.45, subsection 27, paragraph a,
2 subparagraph (1), Code Supplement 1995, is amended to read as
3 follows:

4 (1) "Insurance company" means an insurer organized or
5 operating under chapters 508, 514, 515, 518, 518A, 519, 520 or
6 authorized to do business in Iowa as an insurer ~~and-having~~
7 ~~fifty-or-more-persons-employed-in-this-state-excluding~~
8 ~~licensed-insurance-agents.~~

9 EXPLANATION

10 Present law allows an exemption from the state sales and
11 use tax for the sale or lease of computers to insurance com-
12 panies. The current definition of insurance company, for
13 purposes of the exemption, requires that an insurer employ 50
14 or more persons in Iowa excluding agents. The bill eliminates
15 the requirement in the definition of the number of persons
16 employed by such an insurance company in order to be eligible
17 for the exemption. The bill also includes in the definition
18 of insurance company mutual insurance associations operating
19 under chapter 518A.

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