

JAN 24 1996  
WAYS AND MEANS

HOUSE FILE 2098  
BY GRUNDBERG

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

A BILL FOR

1 An Act relating to a sales tax exemption for certain aircraft and  
2 providing an immediate effective date.

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

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HF 2098

1 Section 1. Section 422.45, subsection 38A, Code Supplement  
2 1995, is amended to read as follows:

3 38A. The gross receipts from the sale or rental of  
4 aircraft; the sale or rental of tangible personal property  
5 permanently affixed or attached as a component part of the  
6 aircraft, including but not limited to repair or replacement  
7 materials or parts; and the gross receipts of all services  
8 used for aircraft repair, remodeling, and maintenance services  
9 when such services are performed on aircraft, aircraft  
10 engines, or aircraft component materials or parts. For the  
11 purposes of this exemption, "aircraft" means aircraft used in  
12 ~~a-scheduled~~ an interstate federal aviation administration-  
13 certified air carrier operation.

14 Sec. 2. EFFECTIVE DATE. This Act, being deemed of  
15 immediate importance, takes effect upon enactment.

16 EXPLANATION

17 Current law provides a sales tax exemption for the gross  
18 receipts from the sale or rental of aircraft, the sale or  
19 rental of component parts of an aircraft, and from certain  
20 services used for aircraft repair, remodeling, and maintenance  
21 services. The exemption is limited to aircraft used in a  
22 scheduled interstate federal aviation administration-certified  
23 air carrier operation. This bill removes the limitation that  
24 the operation be scheduled and instead allows the exemption  
25 for an aircraft used in an interstate federal aviator  
26 administration-certified air carrier operation.

27 This bill is effective upon enactment.

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