

FEB 23 1995

WAYS AND MEANS

HOUSE FILE 211
BY SALTON and GREIG

(COMPANION TO LSB 2031SS
BY KIBBIE)

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

A BILL FOR

1 An Act providing a sales tax exemption relating to aircraft and
2 providing effective date and retroactive applicability
3 provisions.

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

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1 Section 1. Section 422.45, subsection 38, Code 1995, is
2 amended by striking the subsection and inserting in lieu
3 thereof the following:

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

15 Sec. 2. REFUNDS. Refunds of taxes, interest, or penalties
16 which arise from claims resulting from the enactment of this
17 amendment to section 422.45, subsection 38, in this Act,
18 occurring between July 1, 1988, and June 30, 1995, shall not
19 be allowed unless filed prior to October 1, 1995.

20 Sec. 3. EFFECTIVE DATE AND RETROACTIVE APPLICABILITY
21 PROVISION. This Act, being deemed of immediate importance,
22 takes effect upon enactment and applies retroactively to July
23 1, 1988.

24 EXPLANATION

25 Current law provides a sales tax exemption for the gross
26 receipts from the sale of aircraft for use in a scheduled
27 interstate federal aviation administration-certified air
28 carrier operation. The bill expands that exemption to include
29 the rental of aircraft, the sale or rental of tangible
30 personal property permanently affixed as a component part,
31 including repair or replacement materials or parts, and the
32 gross receipts of all services used for aircraft repair,
33 remodeling, and maintenance. The exemption still applies only
34 to aircraft used in a scheduled interstate federal aviation
35 administration-certified air carrier operation.

1 The bill is retroactive to July 1, 1988.

2 The bill provides that refunds of taxes, interest, or
3 penalties which arise from claims resulting from this Act
4 occurring between July 1, 1988, and June 30, 1995, shall not
5 be allowed unless filed prior to October 1, 1995.

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