

FEB 6 1996
WAYS AND MEANS

HOUSE FILE 2160
BY LARSON

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

A BILL FOR

1 An Act providing a sales, services, and use tax exemption for
2 parts sold for and services performed on vehicles used
3 substantially in interstate commerce.

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

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HF 2160

1 Section 1. Section 422.45, Code Supplement 1995, is
2 amended by adding the following new subsection:

3 NEW SUBSECTION. 50. The gross receipts from the sale of
4 parts for, including replacement parts, and services rendered,
5 furnished, or performed on a motor vehicle which is registered
6 or operated under chapter 326 and used substantially in
7 interstate commerce.

8 For purposes of this subsection, "substantially in
9 interstate commerce" means that a minimum of twenty-five
10 percent of the miles operated by the vehicle accrues in states
11 other than Iowa.

12 EXPLANATION

13 The bill exempts from the sales and use tax the sale of
14 parts for and services to motor vehicles which are registered
15 as multistate motor vehicles and are substantially used in
16 interstate commerce. To be substantially used in interstate
17 commerce a vehicle must be operated at least 25 percent of the
18 time in states other than Iowa.

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