

JAN 12 1995
WAYS AND MEANS

HOUSE FILE 26
BY OLLIE and NELSON of
Pottawattamie

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 on the lease or purchase
2 of industrial machinery and equipment and computers by a
3 professional corporation.

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

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HF 26

1 Section 1. Section 422.45, subsection 27, paragraph a,
2 Code 1995, is amended to read as follows:

3 a. The industrial machinery, equipment and computers shall
4 be directly and primarily used in the manner described in
5 section 428.20 in processing tangible personal property or in
6 research and development of new products or processes of
7 manufacturing, refining, purifying, combining of different
8 materials or packing of meats to be used for the purpose of
9 adding value to products, or in processing or storage of data
10 or information by an insurance company, professional
11 corporation, financial institution, or commercial enterprise,
12 or in the recycling or reprocessing of waste products. As
13 used in this paragraph:

14 (1) "Insurance company" means an insurer organized or
15 operating under chapters 508, 514, 515, 518, 519, 520 or
16 authorized to do business in Iowa as an insurer and having
17 fifty or more persons employed in this state excluding
18 licensed insurance agents.

19 (2) "Financial institutions" means as defined in section
20 527.2, subsection 9.

21 (3) "Commercial enterprise" includes businesses and
22 manufacturers conducted for profit and includes centers for
23 data processing services to insurance companies, financial
24 institutions, businesses and manufacturers but excludes
25 professions and occupations and nonprofit organizations.

26 (4) "Professional corporation" means a professional
27 corporation organized or operating under chapter 496C or a
28 foreign professional corporation organized under laws other
29 than the laws of this state.

30 EXPLANATION

31 This bill expands the sales tax exemption for industrial
32 machinery and equipment and computers to include industrial
33 machinery and equipment and computers purchased or leased by a
34 domestic or foreign professional corporation operating in
35 Iowa.