

MAR 16 1995

HOUSE FILE 473

WAYS & MEANS CALENDAR

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HSB 142)

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 473

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

3 (1) "Insurance company" means an insurer organized or  
4 operating under chapters 508, 514, 515, 518, 518A, 519, 520 or  
5 authorized to do business in Iowa as an insurer ~~and-having~~  
6 ~~fifty-or-more-persons-employed-in-this-state-excluding~~  
7 ~~licensed-insurance-agents~~ or a licensed insurance agent under  
8 chapter 522.

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 and licensed insurance agents under chapter  
20 522.

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## HOUSE FILE 473

H-3342

- 1 Amend House File 473 as follows:
- 2 1. Page 1, line 2, by striking the word and  
3 figure "subparagraph (1),".
- 4 2. Page 1, by inserting after line 2 the follow-  
5 ing:
- 6 "a. The industrial machinery, equipment and  
7 computers shall be directly and primarily used in the  
8 manner described in section 428.20 in processing  
9 tangible personal property or in research and  
10 development of new products or processes of  
11 manufacturing, refining, purifying, combining of  
12 different materials or packing of meats to be used for  
13 the purpose of adding value to products, or in  
14 processing or storage of data or information by an  
15 insurance company, professional corporation, financial  
16 institution, or commercial enterprise, or in the  
17 recycling or reprocessing of waste products. As used  
18 in this paragraph:"
- 19 3. Page 1, by inserting after line 8 the follow-  
20 ing:
- 21 "(2) "Financial institutions" means as defined in  
22 section 527.2, subsection 9.
- 23 (3) "Commercial enterprise" includes businesses  
24 and manufacturers conducted for profit and includes  
25 centers for data processing services to insurance  
26 companies, financial institutions, businesses and  
27 manufacturers but excludes professions and occupations  
28 and nonprofit organizations.
- 29 (4) "Professional corporation" means a  
30 professional corporation organized or operating under  
31 chapter 496C or a foreign professional corporation  
32 organized under laws other than the laws of this  
33 state."
- 34 4. Title page, line 2, by inserting after the  
35 word "taxes" the following: "for lease or purchase of  
36 machinery and equipment by professional corporations  
37 and".
- 38 5. Title page, line 3, by inserting after the  
39 word "companies" the following: "and certain  
40 professional corporations".

By OLLIE of Clinton  
NELSON of Pottawattamie

H-3342 FILED MARCH 20, 1995

*Fambert, Chair*  
*Man*  
*Wengel*

**HSB 142**

**WAYS AND MEANS**

**Succeeded F**  
**HOUSE FILE** 473

BY (PROPOSED COMMITTEE ON  
WAYS AND MEANS BILL BY  
CHAIRPERSON HALVORSON)

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  
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1 Section <sup>v8 bc!</sup> 422.45, subsection 27, paragraph a,  
2 ~~subparagraph~~ (1), Code 1995, is amended to read as follows:

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4 operating under chapters 508, 514, 515, 518, 519, 520 or  
5 authorized to do business in Iowa as an insurer ~~and having~~  
6 ~~fifty or more persons employed in this state excluding~~  
7 ~~licensed insurance agents.~~

8 EXPLANATION

9 Present law allows an exemption from the state sales and  
10 use tax for the sale or lease of computers to insurance com-  
11 panies. The current definition of insurance company, for  
12 purposes of the exemption, requires that an insurer employ 50  
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14 the requirement in the definition of the number of persons  
15 employed by such an insurance company in order to be eligible  
16 for the exemption.

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