

MAR 22 1995

WAYS AND MEANS

HOUSE FILE 529  
BY HARPER

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

A BILL FOR

1 An Act relating to sales taxation of certain institutions of the  
2 arts by providing certain refunds and exemptions.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 529

1 Section 1. Section 422.45, subsection 7, Code 1995, is  
2 amended to read as follows:

3 7. A private nonprofit educational institution in this  
4 state, ~~nonprofit private nonprofit~~ museum, private nonprofit  
5 institution of the arts, tax-certifying or tax-levying body or  
6 governmental subdivision of the state, including the state  
7 board of regents, state department of human services, state  
8 department of transportation, a municipally owned solid waste  
9 facility which sells all or part of its processed waste as  
10 fuel to a municipally owned public utility, and all divisions,  
11 boards, commissions, agencies, or instrumentalities of state,  
12 federal, county, or municipal government which do not have  
13 earnings going to the benefit of an equity investor or  
14 stockholder, may make application to the department for the  
15 refund of the sales, services, or use tax upon the gross  
16 receipts of all sales of goods, wares, or merchandise, or from  
17 services rendered, furnished, or performed, to a contractor,  
18 used in the fulfillment of a written contract with the state  
19 of Iowa, any political subdivision of the state, or a  
20 division, board, commission, agency, or instrumentality of the  
21 state or a political subdivision, a private nonprofit  
22 educational institution in this state, ~~or a nonprofit private~~  
23 nonprofit museum, or a private nonprofit institution of the  
24 arts if the property becomes an integral part of the project  
25 under contract and at the completion of the project becomes  
26 public property, is devoted to educational uses, ~~or becomes a~~  
27 nonprofit private nonprofit museum or becomes a private  
28 nonprofit institution of the arts; except goods, wares, or  
29 merchandise, or services rendered, furnished, or performed  
30 used in the performance of any contract in connection with the  
31 operation of any municipal utility engaged in selling gas,  
32 electricity, or heat to the general public or in connection  
33 with the operation of a municipal pay television system; and  
34 except goods, wares, and merchandise used in the performance  
35 of a contract for a "project" under chapter 419 as defined in

1 that chapter other than goods, wares, or merchandise used in  
2 the performance of a contract for a "project" under chapter  
3 419 for which a bond issue was approved by a municipality  
4 prior to July 1, 1968, or for which the goods, wares, or  
5 merchandise becomes an integral part of the project under  
6 contract and at the completion of the project becomes public  
7 property or is devoted to educational uses.

8 a. Such contractor shall state under oath, on forms  
9 provided by the department, the amount of such sales of goods,  
10 wares or merchandise or services rendered, furnished, or  
11 performed and used in the performance of such contract, and  
12 upon which sales or use tax has been paid, and shall file such  
13 forms with the governmental unit, private nonprofit  
14 educational institution, ~~or-nonprofit~~ private nonprofit  
15 museum, or private nonprofit institution of the arts which has  
16 made any written contract for performance by the contractor.  
17 The forms shall be filed by the contractor with the  
18 governmental unit, educational institution, ~~or-nonprofit~~  
19 private nonprofit museum, or private nonprofit institution of  
20 the arts before final settlement is made.

21 b. Such governmental unit, educational institution, ~~or~~  
22 nonprofit private nonprofit museum, or private nonprofit  
23 institution of the arts shall, not more than six months after  
24 the final settlement has been made, make application to the  
25 department for any refund of the amount of such sales or use  
26 tax which shall have been paid upon any goods, wares or  
27 merchandise, or services rendered, furnished, or performed,  
28 such application to be made in the manner and upon forms to be  
29 provided by the department, and the department shall forthwith  
30 audit such claim and, if approved, issue a warrant to such  
31 governmental unit, educational institution, ~~or-nonprofit~~  
32 private nonprofit museum, or private nonprofit institution of  
33 the arts in the amount of such sales or use tax which has been  
34 paid to the state of Iowa under such contract.

35 c. Any contractor who shall willfully make false report of

1 tax paid under the provisions of this subsection shall be  
2 guilty of a simple misdemeanor and in addition thereto shall  
3 be liable for the payment of the tax and any applicable  
4 penalty and interest.

5 EXPLANATION

6 This bill provides a refund to a private nonprofit  
7 institution of the arts for sales, services, or use tax paid  
8 upon the gross receipts of sales of goods or services to a  
9 contractor for a project.

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