

*Substituted
for bef. S.F. 181*

WITHDRAWN

MAR 27 1995
WAYS & MEANS CALENDAR

HOUSE FILE 545
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HSB 131)

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 certain
2 aircraft and effective date and retroactive applicability
3 provisions.

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

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HF 545

WITHDRAWN

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

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

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

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

24 EXPLANATION

25 This bill provides a sales tax exemption on the sale or
26 rental of aircraft, aircraft repair and replacement parts, and
27 aircraft services. The exemption is only applicable to sales,
28 rentals, and services in counties with populations of 20,000
29 or less. A refund claim must be filed prior to October 1,
30 1995. The bill is effective upon enactment and retroactive to
31 July 1, 1998.

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**HOUSE FILE 545
FISCAL NOTE**

A fiscal note for House File 545 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

Current law provides a sales tax exemption for the gross receipts from the sale of aircraft for use in a scheduled interstate federal aviation administration certified air carrier operation. House File 545 extends the exemption to replacement parts and service.

FISCAL IMPACT

The fiscal impact of HF 545 is expected to result in a decrease in revenues to the General Fund of approximately \$900,000 in FY 1996, and an amount less than \$900,000 in FY 1997 and subsequent years.

This estimate does not take into account major airlines that may be eligible for refund on taxes paid retroactive to FY 1989, or extending the exemption to replacement parts and service in counties of more than 20,000 people.
(LSB 1514hv, JAM)

FILED APRIL 6, 1995

BY DENNIS PROUTY, FISCAL DIREC

HOUSE FILE 545

H-3864

- 1 Amend House File 545 as follows:
2 1. Page 1, by striking lines 13 through 15 and
3 inserting the following: "administration-certified
4 air carrier operation."
5 2. Page 1, line 16, by striking the word "REFUND"
6 and inserting the following: "REFUNDS".
7 3. Page 1, line 20, by inserting after the figure
8 "1995" the following: ", and shall be limited to
9 twenty-five thousand dollars in the aggregate,
10 notwithstanding any other provision of law. If the
11 amount of claims totals more than twenty-five thousand
12 dollars in the aggregate, the department of revenue
13 and finance shall prorate the twenty-five thousand
14 dollars among all claimants in relation to the amounts
15 of the claimants' valid claims".
16 4. Page 1, line 21, by inserting after the word
17 "APPLICABILITY" the following: "PROVISION".
18 5. Page 1, line 23, by striking the word
19 "enactment," and inserting the following:
20 "enactment".
21 6. Title page, line 1, by striking the word
22 "certain".
23 7. Title page, by striking line 2 and inserting
24 the following: "aircraft, limiting the amount of
25 refunds, and providing effective date and retroactive
26 applicability".

By RANTS of Woodbury

H-3864 FILED APRIL 11, 1995

Adopted 4/20/95 (p.1750)

HOUSE FILE 545

H-3497

- 1 Amend House File 545 as follows:
2 1. Page 1, by striking lines 13 through 23 and
3 inserting the following: "administration-certified
4 air carrier operation."
5 Sec. ____ . EFFECTIVE DATE. This Act, being deemed
6 of immediate importance, takes effect upon enactment."
7 2. Title page, by striking lines 2 and 3 and
8 inserting the following: "aircraft and an effective
9 date provision."

By WEIGEL of Chickasaw

H-3497 FILED MARCH 27, 1995

No ACTION

Rents, Ch
Duke
Rarker

HSB 131

WAYS AND MEANS

Succeeded
HOUSE FILE 545
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 sales tax exemptions for aircraft repair and
2 replacement parts inventories in certain sized counties.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 422.42, Code 1995, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 13A. Sales of aircraft repair and
4 replacement parts are retail sales in whatever quantity sold.
5 However, if the owner is also a retailer holding a retail
6 sales tax permit and transacting retail sales of aircraft
7 repair and replacement parts, the person shall purchase such
8 items of tangible personal property without liability for the
9 tax if the property will be subject to the tax at the time of
10 resale or at the time it is withdrawn from inventory for
11 repair or replacement purposes. The sales tax shall be due in
12 the reporting period when the repair and replacement parts are
13 withdrawn from inventory or sold at retail. This subsection
14 applies only to purchases and sales of aircraft repair and
15 replacement parts in counties with populations between
16 seventeen thousand and eighteen thousand.

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EXPLANATION

18 This bill provides a sales tax exemption on aircraft repair
19 and replacement parts that are maintained for inventory
20 purposes. The exemption is only applicable to purchases and
21 sales of aircraft repair and replacement parts in counties
22 with populations between 17,000 and 18,000 persons.

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