

SENATE FILE 143
BY LIND

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

A BILL FOR

1 An Act relating to certain domesticated fowl for purposes of the
2 state sales tax.

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

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S.F. 143

1 Section 1. Section 422.42, subsection 11, Code 1995, is
2 amended to read as follows:

3 11. "Retail sale" or "sale at retail" means the sale to a
4 consumer or to any person for any purpose, other than for
5 processing, for resale of tangible personal property or
6 taxable services, or for resale of tangible personal property
7 in connection with taxable services; and includes the sale of
8 gas, electricity, water, and communication service to retail
9 consumers or users; but does not include agricultural breeding
10 livestock and domesticated fowl, including emus, ostriches,
11 and rheas; and does not include commercial fertilizer,
12 agricultural limestone, herbicide, pesticide, insecticide,
13 food, medication, or agricultural drain tile, including
14 installation of agricultural drain tile, any of which are to
15 be used in disease control, weed control, insect control, or
16 health promotion of plants or livestock produced as part of
17 agricultural production for market; and does not include
18 electricity, steam, or any taxable service when purchased and
19 used in the processing of tangible personal property intended
20 to be sold ultimately at retail. When used by a manufacturer
21 of food products, carbon dioxide in a liquid, solid, or
22 gaseous form, electricity, steam, and other taxable services
23 are sold for processing when used to produce marketable food
24 products for human consumption, including but not limited to,
25 treatment of material to change its form, context, or
26 condition, in order to produce the food product, maintenance
27 of quality or integrity of the food product, changing or
28 maintenance of temperature levels necessary to avoid spoilage
29 or to hold the food product in marketable condition,
30 maintenance of environmental conditions necessary for the safe
31 or efficient use of machinery and material used to produce the
32 food product, sanitation and quality control activities,
33 formation of packaging, placement into shipping containers,
34 and movement of the material or food product until shipment
35 from the building of manufacture. Tangible personal property

1 is sold for processing within the meaning of this subsection
2 only when it is intended that the property will, by means of
3 fabrication, compounding, manufacturing, or germination become
4 an integral part of other tangible personal property intended
5 to be sold ultimately at retail; or will be consumed as fuel
6 in creating heat, power, or steam for processing including
7 grain drying, or for providing heat or cooling for livestock
8 buildings, or for generating electric current, or in
9 implements of husbandry engaged in agricultural production; or
10 the property is a chemical, solvent, sorbent, or reagent,
11 which is directly used and is consumed, dissipated, or
12 depleted, in processing personal property which is intended to
13 be sold ultimately at retail or consumed in the maintenance or
14 repair of fabric or clothing, and which may not become a
15 component or integral part of the finished product. The
16 distribution to the public of free newspapers or shoppers
17 guides is a retail sale for purposes of the processing
18 exemption.

19 EXPLANATION

20 This bill provides that the sale of emus, ostriches, and
21 rheas is the sale of "domesticated fowl" and therefore not a
22 retail sale subject to imposition of the state sales tax.

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