

Subs ted by H.F. 185  
4-17-95 (P.1234)

1-11-95 Ways means  
2-23-95 Do Pass  
FILED JAN 11 1995

WITHDRAWN

SENATE FILE 18  
BY IVERSON

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

A BILL FOR

1 An Act exempting from the sales, services, and use tax specific  
2 items used by printers and publishers.

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

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S.F. 18

WITHDRAWN

1 Section 1. Section 422.45, subsection 21, Code 1995, is  
2 amended by striking the subsection and inserting in lieu  
3 thereof the following:  
4 21. The gross receipts from sales or rentals to a printer  
5 or publisher of the following: acetate; anti-halation  
6 backing; anti-static spray; base material used as a carrier  
7 for light sensitive emulsions; blankets; blow-ups; bronze  
8 powder; carbon tissue; color separations; contacts; continuous  
9 tone separations; creative art; custom dies and die cutting  
10 materials; dampening solution; design and styling; diazo  
11 coating; dot etching; dot etching solutions; drawings; driers;  
12 duplicate films or prints; electronically digitized images;  
13 electrotypes; end product of image modulation; engravings;  
14 etch solutions; film; finished art or final art; fix; fixative  
15 spray; flying pasters; foils; goldenrod paper; gum; halftones;  
16 illustrations; ink; ink paste; keylines; lasering images;  
17 layouts; lettering; line negatives and positives; linotypes;  
18 lithographic offset plates; magnesium and zinc etchings;  
19 masking paper; masks; masters; mats; mat service; metal toner;  
20 models, modeling; mylar; negatives; nonoffset spray; opaque  
21 film process paper; padding compound; paper stock;  
22 photographic materials: acids, plastic film, desensitizer  
23 emulsion, exposure chemicals, fix, developers, paper;  
24 photography, day rate; photopolymer coating; photographs;  
25 photostats; photo-display tape; phototypesetter materials; ph-  
26 indicator sticks; positives; press pack; printing cylinders;  
27 printing plates, all types; process lettering; proof paper;  
28 proofs and proof processes, all types; pumice powder;  
29 purchased author alterations; purchased composition; purchased  
30 phototypesetting; purchased stripping and paste-ups; red litho  
31 tape; reducers; screen tints; sketches; stepped plates;  
32 stereotypes; strip type; tints; tissue overlays; toners;  
33 transparencies; tympan; typesetting; typography; varnishes;  
34 veloxes; and any other items used in a like capacity to any of  
35 the above enumerated items by the printer or publisher to

1 complete a finished product for sale at retail. Expendable  
2 tools and supplies which are not enumerated in this subsection  
3 are excluded from the exemption.

4 EXPLANATION

5 The bill amends the present sales and use tax exemption of  
6 sales made by trade shops to printers for use to complete a  
7 finished product. The bill makes the exemption for sales and  
8 rentals made by any business to printers and publishers who  
9 will use the items to complete a product for retail sale. The  
10 bill identifies approximately 100 specific items that are  
11 exempt.

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**SENATE FILE 18  
FISCAL NOTE**

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A fiscal note for **Senate File 18** 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.

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Senate File 18 would exempt the purchase of a number of intermediate goods used in the production of printing materials from the State sales tax. The Bill would expand the processing exemption for printers and publishers.

**FISCAL IMPACT**

The estimated fiscal effect of Senate File 18 is a decrease in revenues to the General Fund of an amount between \$0.5 million and \$1.0 million in FY 1996 and subsequent years. This estimate is based on an industry assessment of the amount spent each year on processing items. Because many of these items are already exempt under the processing exemption, and it is believed many printers and publishers are not currently remitting sales tax on some of the listed items, a lower figure was developed so that a range could be established.

**SOURCES**

Department of Revenue and Finance  
Ratio Studies, Printing Industries of America, 1992

(LSB 1343ss, JAM)

FILED MARCH 1, 1995

BY DENNIS PROUTY, FISCAL DIRECTOR

SENATE FILE 18

S-3076

1 Amend Senate File 18 as follows:  
2 1. Page 2, by inserting after line 3 the  
3 following:  
4 "Sec. \_\_\_\_\_. The director of revenue and finance  
5 shall not collect any tax due or delinquent, including  
6 interest and penalties, from publishers or printers,  
7 from rentals, sales or services rendered, furnished,  
8 or performed, before the effective date of this Act if  
9 such rentals, sales or services would be exempt to  
10 publishers or printers under section 1 of this Act if  
11 made after the effective date of this Act. Any tax  
12 that has been collected before the effective date of  
13 this Act is not refundable."

By COMMITTEE ON WAYS AND MEANS  
WILLIAM D. PALMER, Chairperson

S-3076 FILED FEBRUARY 23, 1995

*9/0 4/17/95 (p. 1234)*

SENATE FILE 18

S-3229

1 Amend Senate File 18 as follows:  
2 1. Page 2, line 3, by inserting after the word  
3 "exemption." the following: ""Printer" means a person  
4 engaged in printing that completes a finished printed  
5 product for ultimate sale at retail or means that  
6 portion of a person's business used to complete a  
7 finished printed packaging material used to package a  
8 product for ultimate sale at retail."

By STEWART IVERSON, Jr.

S-3229 FILED MARCH 27, 1995

*9/0 4/17/95 (p. 1234)*

SEVENTY-SIXTH GENERAL ASSEMBLY  
1995 REGULAR SESSION  
DAILY

SENATE CLIP SHEET

MARCH 30, 1995

SENATE FILE 18

S-3272

1 Amend Senate File 18 as follows:  
2 1. By striking everything after the enacting  
3 clause and inserting the following:  
4 "Section 1. Section 422.45, subsection 21, Code  
5 1995, is amended by striking the subsection and  
6 inserting in lieu thereof the following:  
7 21. The gross receipts from sales or rentals to a  
8 printer or publisher of the following: acetate; anti-  
9 halation backing; anti-static spray; back lining; base  
10 material used as a carrier for light sensitive  
11 emulsions; blankets; blow-ups; bronze powder; carbon  
12 tissue; codas; color filters; color separations;  
13 contacts; continuous tone separations; creative art;  
14 custom dies and die cutting materials; dampener  
15 sleeves; dampening solution; design and styling; diazo  
16 coating; dot etching; dot etching solutions; drawings;  
17 drawsheets; driers; duplicate films or prints;  
18 electronically digitized images; electrotypes; end  
19 product of image modulation; engravings; etch  
20 solutions; film; finished art or final art; fix;  
21 fixative spray; flats; flying pasters; foils;  
22 goldenrod paper; gum; halftones; illustrations; ink;  
23 ink paste; keylines; lacquer; lasering images;  
24 layouts; lettering; line negatives and positives;  
25 linotypes; lithographic offset plates; magnesium and  
26 zinc etchings; masking paper; masks; masters; mats;  
27 mat service; metal toner; models, modeling; mylar;  
28 negatives; nonoffset spray; opaque film process paper;  
29 opaquing; padding compound; paper stock; photographic  
30 materials: acids, plastic film, desensitizer  
31 emulsion, exposure chemicals, fix, developers, paper;  
32 photography, day rate; photopolymer coating;  
33 photographs; photostats; photo-display tape;  
34 phototypesetter materials; ph-indicator sticks;  
35 positives; press pack; printing cylinders; printing  
36 plates, all types; process lettering; proof paper;  
37 proofs and proof processes, all types; pumice powder;  
38 purchased author alterations; purchased composition;  
39 purchased phototypesetting; purchased stripping and  
40 paste-ups; red litho tape; reducers; roller covering;  
41 screen tints; sketches; stepped plates; stereotypes;  
42 strip types; substrate; tints; tissue overlays;  
43 toners; transparencies; tympan; typesetting;  
44 typography; varnishes; veloxes; wood mounts; and any  
45 other items used in a like capacity to any of the  
46 above enumerated items by the printer or publisher to  
47 complete a finished product for sale at retail.  
48 Expendable tools and supplies which are not enumerated  
49 in this subsection are excluded from the exemption.  
50 Sec. 2. Refunds of taxes, interests, or penalties

S-3272

S-3272

Page 2

1 which arise from claims resulting from the enactment  
2 of the amendment to section 422.45, subsection 21, of  
3 this Act, for sales and rentals occurring between July  
4 1, 1983, and June 30, 1995, shall be limited to  
5 twenty-five thousand dollars in the aggregate and  
6 shall not be allowed unless refund claims are filed  
7 prior to October 1, 1995, notwithstanding any other  
8 provision of law. If the amount of claims totals more  
9 than twenty-five thousand dollars in the aggregate,  
10 the department of revenue and finance shall prorate  
11 the twenty-five thousand dollars among all claimants  
12 in relation to the amounts of the claimants' valid  
13 claims.

14 Sec. 3. This Act, being deemed of immediate  
15 importance, takes effect upon enactment and applies  
16 retroactively to July 1, 1983, for sales and rentals  
17 made on or after that date."

18 2. Title page, by striking lines 1 and 2 and  
19 inserting the following: "An Act relating to the  
20 sales, services, and use tax exemption for items used  
21 by printers and publishers, limiting the amount of  
22 refunds, and providing retroactive and applicability  
23 date provisions."

By WILLIAM D. PALMER  
MARY A. LUNDBY

SHELDON RITTMER  
TOM VILSACK

S-3272 FILED MARCH 29, 1995

*Adopted 4/17/95 (p.1234)*