

Reprinted

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FILED FEB 22 1995
3/22/95 Amend/Do Pass
W) 5-3186

SENATE FILE 181
BY KIBBIE

(COMPANION TO LSB 2031HH
BY SALTON)

(R 1035)
Passed Senate, Date 4-4-95 Passed House, Date 4/20/95 (1751)
Vote: Ayes 48 Nays 0 Vote: Ayes 57 Nays 41
Approved May 1, 1995

A BILL FOR

1 An Act providing a sales tax exemption relating to aircraft and
2 providing effective date and retroactive applicability
3 provisions.

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

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S.F. 181

1 Section 1. Section 422.45, subsection 38, Code 1995, is
2 amended by striking the subsection and inserting in lieu
3 thereof the following:

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

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

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

24 EXPLANATION

25 Current law provides a sales tax exemption for the gross
26 receipts from the sale of aircraft for use in a scheduled
27 interstate federal aviation administration-certified air
28 carrier operation. The bill expands that exemption to include
29 the rental of aircraft, the sale or rental of tangible
30 personal property permanently affixed as a component part,
31 including repair or replacement materials or parts, and the
32 gross receipts of all services used for aircraft repair,
33 remodeling, and maintenance. The exemption still applies only
34 to aircraft used in a scheduled interstate federal aviation
35 administration-certified air carrier operation.

1 The bill is retroactive to July 1, 1988.

2 The bill provides that refunds of taxes, interest, or
3 penalties which arise from claims resulting from this Act
4 occurring between July 1, 1988, and June 30, 1995, shall not
5 be allowed unless filed prior to October 1, 1995.

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**SENATE FILE 181
FISCAL NOTE**

A fiscal note for Senate File 181 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. Senate File 181 extends the exemption to replacement parts and service.

FISCAL IMPACT

The fiscal impact of SF 181 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 are eligible for refund on taxes paid retroactive to FY 1989, or the exemption that would extend to service that takes place in counties of more than 20,000 people.

(LSB 2031ss, JAM)

FILED APRIL 4, 1995

BY DENNIS PROUTY, FISCAL DIRECTOR

SENATE FILE 181

S-3186

1 Amend Senate File 181 as follows:

- 2 1. Page 1, line 14, by inserting after the word
3 "operation." the following: "This subsection applies
4 only to sales, rentals, and services in counties with
5 populations of twenty thousand or less."
6 2. Page 1, line 19, by striking the figure
7 "1995." and inserting the following: "1995 and shall
8 be limited to twenty-five thousand dollars in the
9 aggregate, notwithstanding any other provision of law.
10 If the amount of claims totals more than twenty-five
11 thousand dollars in the aggregate, the department of
12 revenue and finance shall prorate the twenty-five
13 thousand dollars among all claimants in relation to
14 the amounts of the claimants' valid claims."
15 3. Title page, line 1, by inserting after the
16 word "aircraft" the following: ", limiting the amount
17 of refunds,".

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

S-3186 FILED MARCH 22, 1995

Adopted 4-4-95
(P.1034)

SENATE FILE 181

S-3262

1 Amend Senate File 181 as follows:

- 2 1. Page 1, by striking lines 1 through 4 and
3 inserting the following:
4 "Section 1. Section 422.45, Code 1995, is amended
5 by adding the following new subsection:
6 NEW SUBSECTION. 38A. The gross receipts from the
7 sale or rental of".
8 2. Page 1, lines 16 and 17, by striking the words
9 "this amendment to".
10 3. Page 1, line 17, by striking the figure "38"
11 and inserting the following: "38A".

By JOHN P. KIBBIE

S-3262 FILED MARCH 28, 1995

Adopted 4-4-95 (P.1034)
SENATE FILE 181

S-3266

1 Amend the amendment, S-3186, to Senate File 181 as
2 follows:

- 3 1. Page 1, by striking lines 2 through 5.
4 2. By renumbering as necessary.

By MARY KRAMER
MARY A. LUNDBY

Adopted 4/4/95 (P.1035)

S-3266 FILED MARCH 28, 1995

SENATE FILE 181

S-3330

1 Amend the amendment, S-3186, to Senate File 181, as
2 follows:

3 1. Page 1, by striking lines 2 through 5 and
4 inserting the following:

5 "____. Page 1, by striking lines 1 through 4 and
6 inserting the following:

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

9 NEW SUBSECTION. 38A. The gross receipts from the
10 sale or rental of".

11 _____. Page 1, by striking lines 12 through 14 and
12 inserting the following: "purposes of this exemption,
13 "aircraft" means aircraft scheduled in interstate
14 federal aviation administration certified air carrier
15 operations which is designed primarily for carrying
16 fifty passengers or less and is primarily used to
17 carry passengers in a scheduled operation."

18 _____. Page 1, lines 16 and 17, by striking the
19 words and figures "this amendment to section 422.45,
20 subsection 38" and inserting the following: "section
21 422.45, subsection 38A".

22 2. By renumbering as necessary.

By JOHN P. KIBBIE

S-3330 FILED APRIL 4, 1995
RULED OUT OF ORDER

SENATE FILE 181

BY KIBBIE

(COMPANION TO LSB 2031HH
BY SALTON)

(AS AMENDED AND PASSED BY THE SENATE APRIL 4, 1995)

 - New Language by the Senate

* - Language Stricken by the Senate

Passed Senate, Date 4-4-95 (p.1035) Passed House, Date 4/20/95 (p.1751)
Vote: Ayes 48 Nays 0 Vote: Ayes 57 Nays 41
Approved May 1, 1995

A BILL FOR

1 An Act providing a sales tax exemption relating to aircraft,
2 limiting the amount of refunds, and providing effective date
3 and retroactive applicability provisions.

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

S.F. 181

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 or 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.

14 Sec. 2. REFUNDS. Refunds of taxes, interest, or penalties
*15 which arise from claims resulting from the enactment of
16 section 422.45, subsection 38A, in this Act, occurring between
17 July 1, 1988, and June 30, 1995, shall not be allowed unless
18 filed prior to October 1, 1995 and shall be limited to twenty-
19 five thousand dollars in the aggregate, notwithstanding any
20 other provision of law. If the amount of claims totals more
21 than twenty-five thousand dollars in the aggregate, the
22 department of revenue and finance shall prorate the twenty-
23 five thousand dollars among all claimants in relation to the
24 amounts of the claimants' valid claims.

25 Sec. 3. EFFECTIVE DATE AND RETROACTIVE APPLICABILITY
26 PROVISION. This Act, being deemed of immediate importance,
27 takes effect upon enactment and applies retroactively to July
28 1, 1988.

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SENATE FILE 181

AN ACT

PROVIDING A SALES TAX EXEMPTION RELATING TO AIRCRAFT,
LIMITING THE AMOUNT OF REFUNDS, AND PROVIDING EFFECTIVE
DATE AND RETROACTIVE APPLICABILITY PROVISIONS.

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

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

NEW SUBSECTION. 38A. The gross receipts from the sale or
rental of aircraft; the sale or rental of tangible personal
property permanently affixed or attached as a component part
of the aircraft, including but not limited to repair or
replacement materials or parts; and the gross receipts of all
services used for aircraft repair, remodeling, and maintenance
services when such services are performed on aircraft,
aircraft engines, or aircraft component materials or parts.
For the purposes of this exemption, "aircraft" means aircraft
used in a scheduled interstate federal aviation
administration-certified air carrier operation.

Sec. 2. REFUNDS. Refunds of taxes, interest, or penalties
which arise from claims resulting from the enactment of
section 422.45, subsection 38A, in this Act, occurring between
July 1, 1988, and June 30, 1995, shall not be allowed unless
filed prior to October 1, 1995 and shall be limited to twenty-
five thousand dollars in the aggregate, notwithstanding any
other provision of law. If the amount of claims totals more
than twenty-five thousand dollars in the aggregate, the
department of revenue and finance shall prorate the twenty-
five thousand dollars among all claimants in relation to the
amounts of the claimants' valid claims.

Sec. 3. EFFECTIVE DATE AND RETROACTIVE APPLICABILITY
PROVISION. This Act, being deemed of immediate importance,

takes effect upon enactment and applies retroactively to July
1, 1988.

LEONARD L. BOSWELL
President of the Senate

RON J. CORBETT
Speaker of the House

I hereby certify that this bill originated in the Senate and
is known as Senate File 181, Seventy-sixth General Assembly.

JOHN F. DWYER
Secretary of the Senate

Approved May 1, 1995

TERRY E. BRANSTAD
Governor