

FILED MAR 7 1996

SENATE FILE 2444
BY BARTZ

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

A BILL FOR

1 An Act relating to the exclusion from "gross receipts" of the
2 discounted portion of a sales price for purposes of the state
3 sales tax.

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

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S.F. 2444

1 Section 1. Section 422.42, subsection 5, paragraph a, Code
2 Supplement 1995, is amended to read as follows:

3 a. That discounts for any purpose allowed and taken on
4 sales shall not be included in gross receipts if excessive
5 sales tax on the discounted amount is not collected from the
6 purchaser, ~~nor~~ and gross receipts shall not include the sale
7 price of property returned by customers when the total sale
8 price thereof is refunded either in cash or by credit.

9 EXPLANATION

10 This bill rewords a portion of the definition of "gross
11 receipts" for purposes of state sales tax. Under current law,
12 the amount of the reduction in sales price on a discounted
13 sale is not taxable to the purchaser, nor is it included in
14 the gross receipts upon which the retailer must remit the 5
15 percent state sales tax to the state. This bill does not
16 change current law.

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