FEB 9 1993

WAYS AND MEANS

HOUSE FILE 2174

BY VAN FOSSEN

Passed House, Date _____ Passed Senate, Date _____

Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act providing an exemption from state sales and services tax
2 for certain equipment used in transporting telephone services.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
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S.F. _____ H.F. 2174

Section 1. Section 422.45, subsection 27, paragraph a, Code Supplement 1997, is amended by adding the following new subparagraph:

NEW SUBPARAGRAPH. (7) Central office equipment including, but not limited to, network equipment, regardless of location, used primarily in transmitting, receiving, switching, or monitoring of switching of telephone services. Central office equipment shall also include equipment used for testing and training and replacement parts purchased for use in the repair or modification of central office equipment and transmission equipment. For purposes of this subparagraph, "transmission equipment" means cable, optical fiber, radio transmitters and receivers, transmission devices, and other transmission media which are components of the network system used for transporting telephone services.

EXPLANATION

This bill adds central office equipment sold or rented for use in transporting telephone services to the list of industrial machinery, computers, and equipment which are exempt from state sales and services tax. The bill defines central office equipment as equipment used primarily in transmitting, receiving, switching, or monitoring of telephone services. Transmission equipment is also defined.