

FEB 14 1997  
WAYS AND MEANS

HOUSE FILE  
BY MYERS

**249**

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

**A BILL FOR**

1 An Act relating to the exemption from the sales, services, and  
2 use taxes of the gross receipts from the sale, furnishing, or  
3 service of gas or electricity and of fuel used for heating and  
4 providing an applicability date provision.

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

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**HF 249**

1 Section 1. Section 422.43, subsection 1, Code 1997, is  
2 amended to read as follows:

3 1. There is imposed a tax of five percent upon the gross  
4 receipts from all sales of tangible personal property,  
5 consisting of goods, wares, or merchandise, except as  
6 otherwise provided in this division, sold at retail in the  
7 state to consumers or users; a like rate of tax upon the gross  
8 receipts from the sales, furnishing, or service of ~~gas~~,  
9 ~~electricity~~, water, heat, pay television service, and  
10 communication service, including the gross receipts from such  
11 sales by any municipal corporation or joint water utility  
12 furnishing ~~gas~~, ~~electricity~~, water, heat, pay television  
13 service, and communication service to the public in its  
14 proprietary capacity, except as otherwise provided in this  
15 division, when sold at retail in the state to consumers or  
16 users; a like rate of tax upon the gross receipts from all  
17 sales of tickets or admissions to places of amusement, fairs,  
18 and athletic events except those of elementary and secondary  
19 educational institutions; a like rate of tax on the gross  
20 receipts from an entry fee or like charge imposed solely for  
21 the privilege of participating in an activity at a place of  
22 amusement, fair, or athletic event unless the gross receipts  
23 from the sales of tickets or admissions charges for observing  
24 the same activity are taxable under this division; and a like  
25 rate of tax upon that part of private club membership fees or  
26 charges paid for the privilege of participating in any  
27 athletic sports provided club members.

28 Sec. 2. Section 422.45, subsection 20, Code 1997, is  
29 amended to read as follows:

30 20. The gross receipts from sales or services rendered,  
31 furnished, or performed by a county or city. This exemption  
32 does not apply to the tax specifically imposed under section  
33 422.43 on the gross receipts from the sales, furnishing, or  
34 service of ~~gas~~, ~~electricity~~, water, heat, pay television  
35 service, and communication service to the public by a

1 municipal corporation in its proprietary capacity; does not  
2 apply to the sales, furnishing, or service of solid waste  
3 collection and disposal service to nonresidential commercial  
4 operations; does not apply to the sales, furnishing, or  
5 service of sewage service for nonresidential commercial  
6 operations; and does not apply to fees paid to cities and  
7 counties for the privilege of participating in any athletic  
8 sports.

9 Sec. 3. Section 422.45, Code 1997, is amended by adding  
10 the following new subsection:

11 NEW SUBSECTION. 52. The gross receipts from the sale,  
12 furnishing, or service of fuels, including, but not limited  
13 to, propane and heating oil, used for heating purposes, and of  
14 gas or electricity.

15 Sec. 4. APPLICABILITY. This Act applies to the gross  
16 receipts from the sale, furnishing, or service of fuel used  
17 for heating purposes if such sale, furnishing, or service  
18 occurs on or after July 1, 1997, and applies to the gross  
19 receipts from the sale, furnishing, or service of gas or  
20 electricity if the date of billing the customer is on or after  
21 July 1, 1997.

22 EXPLANATION

23 This bill exempts from the sales and use taxes the gross  
24 receipts from the sale, furnishing, or service of fuel,  
25 including propane and heating oil, used for heating purposes  
26 and of gas or electricity. The bill has an applicability date  
27 provision that makes the exemptions apply to such sale,  
28 furnishing, or service occurring on or after July 1, 1997, or  
29 to utility billings dated on or after July 1, 1997.

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