MAR 5 1997

WAYS AND MEANS

HOUSE FILE 431
BY BRUNKHORST

Passed House, Date ____________ Passed Senate, Date ____________
Vote: Ayes ______ Nays ______ Vote: Ayes ______ Nays ______
Approved ____________________________

A BILL FOR

An Act relating to the retail sales tax on the gross receipts of lottery sales.
BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

HF 431

TLSB 2325HH 77
tj/jj/8

S.F. ______ H.F. 431

Section 1. Section 99E.10, subsection 1, unnumbered paragraph 1, Code 1997, is amended to read as follows:

Upon receipt of any revenue, the commissioner shall deposit the moneys in the lottery fund created pursuant to section 99E.20. As nearly as is practicable, at least fifty percent of the projected annual revenue~~, after deduction of the amount of the sales tax,~~ accruing from the sale of tickets or shares is appropriated for payment of prizes to the holders of winning tickets. After the payment of prizes, all of the following shall be deducted from lottery revenue prior to disbursement:

Sec. 2. Section 99E.10, subsection 1, paragraph b, Code 1997, is amended by striking the paragraph.

Sec. 3. Section 422.43, subsection 2, Code 1997, is amended to read as follows:

2. There is imposed a tax of five percent upon the gross receipts derived from the operation of all forms of amusement devices and games of skill, games of chance, raffles, and bingo games as defined in chapter 99B, operated or conducted within the state, the tax to be collected from the operator in the same manner as for the collection of taxes upon the gross receipts of tickets or admission as provided in this section. ~~The tax shall also be imposed upon the gross receipts derived from the sale of lottery tickets or shares pursuant to chapter 99E. The tax on the lottery tickets or shares shall be included in the sales price and distributed to the general fund as provided in section 99E.10.~~

EXPLANATION

This bill repeals the 5 percent sales tax on the sales of lottery tickets and shares. The net receipts after the deduction for prizes is made and the sales tax collections on the lottery sales are accounted for separately but both are credited to the state general fund. The bill will eliminate accounting for the sales tax separately by including it as a part of the net receipts.

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