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SENATE FILE 2364
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SF 2237)

(p. 722) Passed Senate, Date 3/16/98 (p. 1137) Passed House, Date 4-1-98
Vote: Ayes 48 Nays 0 Vote: Ayes 97 Nays 1
Approved April 14, 1998

A BILL FOR

1 An Act relating to the sales, services, and use taxes exemption
2 for the sales of food and beverages for human consumption by
3 certain organizations, providing refunds, and including
4 effective and retroactive applicability date provisions.

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

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S.F. 2364

1 Section 1. Section 422.45, Code Supplement 1997, is
2 amended by adding the following new subsection:

3 NEW SUBSECTION. 52. The gross receipts from the sales of
4 food and beverages for human consumption by a nonprofit
5 organization which principally promotes a food or beverage
6 product for human consumption produced, grown, or raised in
7 this state and whose income is exempt from federal taxation
8 under section 501(c) of the Internal Revenue Code.

9 Sec. 2. REFUNDS. Refunds of taxes, interest, or penalties
10 which arise from claims resulting from the enactment of
11 section 422.45, subsection 52, in this Act, for sales
12 occurring between July 1, 1988, and June 30, 1998, shall be
13 limited to twenty-five thousand dollars in the aggregate and
14 shall not be allowed unless refund claims are filed prior to
15 October 1, 1998, notwithstanding any other provision of law.
16 If the amount of claims total more than twenty-five thousand
17 dollars in the aggregate, the department of revenue and
18 finance shall prorate the twenty-five thousand dollars among
19 all claimants in relation to the amounts of the claimants'
20 valid claims.

21 Sec. 3. EFFECTIVE DATE AND RETROACTIVE APPLICABILITY
22 PROVISION. This Act, being deemed of immediate importance,
23 takes effect upon enactment and applies retroactively to July
24 1, 1988.

25 EXPLANATION

26 The bill provides an exemption from the sales and use taxes
27 of the sales of food and beverages by nonprofit organizations
28 if they are not subject to federal income tax, and have a
29 primary purpose of the promotion of a food or beverage product
30 for human consumption produced, grown, or raised in the state.

31 The bill takes effect upon enactment and applies
32 retroactively to July 1, 1988. Refunds of sales or use taxes
33 paid shall be allowed but only in the aggregate of \$25,000 and
34 only if applied for by October 1, 1998. If the amount of
35 claims exceeds \$25,000 the claimants will receive a

1 proportionate amount of their claims.

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SENATE FILE 2364

AN ACT

RELATING TO THE SALES, SERVICES, AND USE TAXES EXEMPTION FOR THE SALES OF FOOD AND BEVERAGES FOR HUMAN CONSUMPTION BY CERTAIN ORGANIZATIONS, PROVIDING REFUNDS, AND INCLUDING EFFECTIVE AND RETROACTIVE APPLICABILITY DATE PROVISIONS.

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

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

NEW SUBSECTION. 52. The gross receipts from the sales of food and beverages for human consumption by a nonprofit organization which principally promotes a food or beverage product for human consumption produced, grown, or raised in this state and whose income is exempt from federal taxation under section 501(c) of the Internal Revenue Code.

Sec. 2. REFUNDS. Refunds of taxes, interest, or penalties which arise from claims resulting from the enactment of section 422.45, subsection 52, in this Act, for sales occurring between July 1, 1988, and June 30, 1998, shall be limited to twenty-five thousand dollars in the aggregate and shall not be allowed unless refund claims are filed prior to October 1, 1998, notwithstanding any other provision of law. If the amount of claims total 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.

MARY E. KRAMER
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 2364, Seventy-seventh General Assembly.

MARY PAT GUNDERSON
Secretary of the Senate

Approved April 14, 1998

TERRY E. BRANSTAD
Governor