

Leig, Chair  
Drake  
Mertz

HSB 577  
Agriculture

Succeeded By  
SF/HE 2112

HOUSE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
AGRICULTURE BILL BY  
CHAIRPERSON KLEMME)

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

**A BILL FOR**

1 An Act relating to sales tax exemptions for equipment and  
2 electricity used in certain activities related to agriculture,  
3 providing an effective date, and making provisions  
4 retroactively applicable.

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

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1 Section 1. Section 422.45, subsection 26, paragraph b,  
2 Code Supplement 1999, is amended to read as follows:

3 b. The farm machinery and equipment shall constitute self-  
4 propelled implements or implements customarily drawn or  
5 attached to self-propelled implements ~~or the farm machinery or~~  
6 ~~equipment is a grain dryer.~~

7 Sec. 2. Section 422.45, Code Supplement 1999, is amended  
8 by adding the following new subsections:

9 NEW SUBSECTION. 26A. The gross receipts from the sale of  
10 machinery or equipment used for any of the following:

11 a. The blending of fertilizers, including fertilizers,  
12 soil conditioners, and unmanipulated manure as defined in  
13 section 200.3.

14 b. The preservation or improvement of the condition of  
15 harvested grain as defined in section 203.1, including  
16 equipment used to dry, remove moisture from, ventilate, or  
17 aerate the grain.

18 NEW SUBSECTION. 26B. The gross receipts from the sale of  
19 electricity used in the preservation or improvement of the  
20 condition of harvested grain as defined in section 203.1,  
21 including electricity used to dry, remove moisture from,  
22 ventilate, or aerate the grain.

23 Sec. 3. REFUNDS. Refunds of taxes, interest, or penalties  
24 which arise from claims resulting from the enactment of  
25 section 422.45, subsections 26A and 26B, as provided in this  
26 Act, for sales occurring between January 1, 1988, and the  
27 effective date of this Act, shall be limited to twenty-five  
28 thousand dollars in the aggregate and shall not be allowed  
29 unless refund claims are filed prior to October 1, 2000,  
30 notwithstanding any other provision of law. If the amount of  
31 claims totals more than twenty-five thousand dollars in the  
32 aggregate, the department of revenue and finance shall prorate  
33 the twenty-five thousand dollars among all claimants in  
34 relation to the amounts of the claimants' valid claims.

35 Sec. 4. EFFECTIVE DATE AND RETROACTIVE APPLICABILITY

LSB 577

1 PROVISION. This Act, being deemed of immediate importance,  
2 takes effect upon enactment and applies retroactively to  
3 January 1, 1988.

4 EXPLANATION

5 This bill amends Code section 422.45 which provides  
6 exemptions from the retail sales tax imposed on the gross  
7 receipts from all sales of tangible personal property.  
8 Specifically, the bill exempts gross receipts from the sale of  
9 equipment used for blending fertilizers and preserving or  
10 improving the condition of harvested grain. The bill also  
11 exempts the gross receipts from the sale of electricity used  
12 in the preservation or improvement of the condition of  
13 harvested grain.

14 The bill eliminates a current Code provision which exempts  
15 the gross receipts of farm machinery used in grain drying.

16 The bill takes effect upon enactment and applies  
17 retroactively to January 1, 1988. The bill provides a  
18 procedure for filing refund claims.

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FEB 29 2000

WAYS AND MEANS

HOUSE FILE **2493**  
BY COMMITTEE ON AGRICULTURE

(SUCCESSOR TO HSB 577)

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

**A BILL FOR**

1 An Act relating to sales tax exemptions for equipment and fuel  
2 used in certain activities related to agriculture, providing  
3 an effective date, and making provisions retroactively  
4 applicable.

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

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**HF 2493**

1 Section 1. Section 422.45, subsection 26, paragraph b;  
2 Code Supplement 1999, is amended to read as follows:

3 b. The farm machinery and equipment shall constitute self-  
4 propelled implements or implements customarily drawn or  
5 attached to self-propelled implements ~~or-the-farm-machinery-or~~  
6 ~~equipment-is-a-grain-dryer.~~

7 Sec. 2. Section 422.45, Code Supplement 1999, is amended  
8 by adding the following new subsections:

9 NEW SUBSECTION. 26A. The gross receipts from the sale of  
10 machinery or equipment used for any of the following:

11 a. Directly and primarily used in the blending of  
12 fertilizers, including fertilizers, soil conditioners, and  
13 unmanipulated manure as defined in section 200.3.

14 b. Directly and primarily used to dry, remove moisture  
15 from, ventilate, or aerate harvested grain as defined in  
16 section 203.1.

17 NEW SUBSECTION. 26B. The gross receipts from the sale of  
18 fuel used in machinery or equipment which is used to dry,  
19 remove moisture from, ventilate, or aerate harvested grain as  
20 defined in section 203.1.

21 Sec. 3. REFUNDS. Refunds of taxes, interest, or penalties  
22 which arise from claims resulting from the enactment of  
23 section 422.45, subsections 26A and 26B, as provided in this  
24 Act, for sales occurring between January 1, 1988, and the  
25 effective date of this Act, shall be limited to twenty-five  
26 thousand dollars in the aggregate and shall not be allowed  
27 unless refund claims are filed prior to October 1, 2000,  
28 notwithstanding any other provision of law. If the amount of  
29 claims totals more than twenty-five thousand dollars in the  
30 aggregate, the department of revenue and finance shall prorate  
31 the twenty-five thousand dollars among all claimants in  
32 relation to the amounts of the claimants' valid claims.

33 Sec. 4. EFFECTIVE DATE AND RETROACTIVE APPLICABILITY  
34 PROVISION. This Act, being deemed of immediate importance,  
35 takes effect upon enactment and applies retroactively to

1 January 1, 1988.

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EXPLANATION

3 This bill amends Code section 422.45 which provides  
 4 exemptions from the retail sales tax imposed on the gross  
 5 receipts from all sales of tangible personal property.  
 6 Specifically, the bill exempts gross receipts from the sale of  
 7 equipment used for blending fertilizers and preserving or  
 8 improving the condition of harvested grain. The bill also  
 9 exempts the gross receipts from the sale of fuel used in the  
 10 preservation or improvement of the condition of harvested  
 11 grain.

12 The bill eliminates a current Code provision which exempts  
 13 the gross receipts of farm machinery used in grain drying.

14 The bill takes effect upon enactment and applies  
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