

MAR 10 1999
WAYS AND MEANS

HOUSE FILE 616
BY TEIG

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act exempting personal property purchased from vending
2 machines from local option sales and services taxes.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 616

1 Section 1. Section 422B.8, unnumbered paragraph 1, Code
2 1999, is amended to read as follows:

3 A local sales and services tax at the rate of not more than
4 one percent may be imposed by a county on the gross receipts
5 taxed by the state under chapter 422, division IV. A local
6 sales and services tax shall be imposed on the same basis as
7 the state sales and services tax and may shall not be imposed
8 on the sale of any property or on any service not taxed by the
9 state, except the tax shall not be imposed on the gross
10 receipts from the sale of motor fuel or special fuel as
11 defined in chapter 452A, on the gross receipts from the rental
12 of rooms, apartments, or sleeping quarters which are taxed
13 under chapter 422A during the period the hotel and motel tax
14 is imposed, on the gross receipts from the sale of natural gas
15 or electric energy in a city or county where the gross
16 receipts are subject to a franchise fee or user fee during the
17 period the franchise or user fee is imposed, on the gross
18 receipts from the sale of equipment by the state department of
19 transportation, on the gross receipts from the sale of
20 personal property from a vending machine operated by insertion
21 of a coin, paper currency, token, card, or key, and on the
22 gross receipts from the sale of a lottery ticket or share in a
23 lottery game conducted pursuant to chapter 99E. A local sales
24 and services tax is applicable to transactions within those
25 incorporated and unincorporated areas of the county where it
26 is imposed and shall be collected by all persons required to
27 collect state gross receipts taxes. All cities contiguous to
28 each other shall be treated as part of one incorporated area
29 and the tax would be imposed in each of those contiguous
30 cities only if the majority of those voting in the total area
31 covered by the contiguous cities favor its imposition.

32 Sec. 2. Section 422E.3, subsection 2, Code 1999, is
33 amended to read as follows:

34 2. The tax shall be imposed on the same basis as the state
35 sales and services tax and shall not be imposed on the sale of

1 any property or on any service not taxed by the state, except
2 the tax shall not be imposed on the gross receipts from the
3 sale of motor fuel or special fuel as defined in chapter 452A,
4 on the gross receipts from the rental of rooms, apartments, or
5 sleeping quarters which are taxed under chapter 422A during
6 the period the hotel and motel tax is imposed, on the gross
7 receipts from the sale of equipment by the state department of
8 transportation, on the gross receipts from the sale of
9 personal property from a vending machine operated by insertion
10 of a coin, paper currency, token, card, or key, and on the
11 gross receipts from the sale of a lottery ticket or share in a
12 lottery game conducted pursuant to chapter 99E.

13 EXPLANATION

14 The bill exempts from the local option sales and services
15 tax and the local option school infrastructure sales and
16 services tax the gross receipts from sales of personal
17 property made by means of vending machines operated by
18 insertion of coins, paper currencies, tokens, cards, or keys.

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