

HSB 105

WAYS AND MEANS

Rantsch
Lord
Doderer

Succeeded By

HOUSE FILE HF 2119
BY (PROPOSED COMMITTEE ON
WAYS AND MEANS BILL BY
CHAIRPERSON VAN FOSSEN)

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

A BILL FOR

1 An Act relating to a sales tax exemption for the inputs purchased
2 for use in a car wash and wax facility.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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105

S.F. _____ H.F. _____

1 Section 1. Section 422.45, Code 1999, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 55. The gross receipts from the sale of
4 items to the operator of a car wash and wax facility which
5 items are used by the facility operator or motor vehicle user
6 in the washing, waxing, or vacuuming of the motor vehicle.
7 The items to which this exemption applies include, but are not
8 limited to, soap, cleanser, wax, water, rags, and towels.
9 Items which become real property or are attached to real
10 property, including scrubbers, are not exempt under this
11 subsection.

12 EXPLANATION

13 The bill exempts from the state sales and use taxes the
14 sale of the inputs used in a car wash and wax facility. These
15 inputs include soap, cleanser, wax, water, rags, and towels.

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S-4/15/99 W.d.m.
S-4/22/99 Do Base W/S-347
+ amend

MAR 26 1999

WAYS & MEANS CALENDAR

HOUSE FILE **749**
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HSB 105)

Passed House, ^(P. 1352) Date 4/15/99 Passed Senate, Date _____
Vote: Ayes 82 Nays 7 Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to a sales tax exemption for the inputs purchased
2 for use in a vehicle wash and wax facility.

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

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HOUSE FILE 749

S-3475

1 Amend House File 749, as passed by the House, as
2 follows:

3 1. Page 1, line 8, by inserting after the word
4 "water," the following: "electricity and other
5 utilities,".

By COMMITTEE ON WAYS AND MEANS
JoANN JOHNSON, Chairperson

S-3475 FILED APRIL 22, 1999

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2 the following new subsection:

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4 items to the operator of a vehicle wash and wax facility which
5 items are used by the facility operator or motor vehicle user
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8 limited to, soap, cleanser, wax, water, rags, and towels.
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12 EXPLANATION

13 The bill exempts from the state sales and use taxes the
14 sale of the inputs used in a vehicle wash and wax facility.
15 These inputs include soap, cleanser, wax, water, rags, and
16 towels.

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**HOUSE FILE 749
FISCAL NOTE**

A fiscal note for House File 749 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

House File 749 exempts from the State sales and use taxes the sale of the inputs used in a vehicle wash and wax facility. These inputs include soap, cleanser, wax, water, rags, and towels. Items which become real property or are attached to real property, including scrubbers, are not exempt under this Bill.

ASSUMPTIONS

1. Self-service and automatic vehicle wash inputs are approximately 17.2% of gross receipts.
2. Total Iowa vehicle wash gross receipts are approximately \$63.0 million annually.

FISCAL EFFECT

The fiscal effect of House File 749 is a reduction in General Fund sales tax and use tax of approximately \$542,000 each year for FY 2000 and FY 2001.

SOURCES

U.S. Census Bureau, Census of Services
Professional Carwashing and Detailing Magazine
Heartland Car Wash Association

(LSB 1854hv, LCS)

FILED MARCH 29, 1999

BY DENNIS PROUTY, FISCAL DIRECTOR