

JAN 14 1999  
WAYS AND MEANS

HOUSE FILE 80

BY LARSON

*1/20/99 Sponsor added Davis*

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

**A BILL FOR**

1 An Act relating to the refund of the sales, services, or use tax  
2 paid on the gross receipts from sales of tangible personal  
3 property or services rendered by a contractor used in a  
4 building contract for a project that is devoted to nonprofit  
5 private museum uses.

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

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1 Section 1. Section 422.45, subsection 7, unnumbered  
2 paragraph 1, Code 1999, is amended to read as follows:

3 A private nonprofit educational institution in this state,  
4 nonprofit private museum in this state, tax-certifying or tax-  
5 levying body or governmental subdivision of the state,  
6 including the state board of regents, state department of  
7 human services, state department of transportation, a  
8 municipally owned solid waste facility which sells all or part  
9 of its processed waste as fuel to a municipally owned public  
10 utility, and all divisions, boards, commissions, agencies, or  
11 instrumentalities of state, federal, county, or municipal  
12 government which do not have earnings going to the benefit of  
13 an equity investor or stockholder, may make application to the  
14 department for the refund of the sales, services, or use tax  
15 upon the gross receipts of all sales of goods, wares, or  
16 merchandise, or from services rendered, furnished, or  
17 performed, to a contractor, used in the fulfillment of a  
18 written contract with the state of Iowa, any political  
19 subdivision of the state, or a division, board, commission,  
20 agency, or instrumentality of the state or a political  
21 subdivision, a private nonprofit educational institution in  
22 this state, or a nonprofit private museum in this state if the  
23 property becomes an integral part of the project under  
24 contract and at the completion of the project becomes public  
25 property, is devoted to educational uses, or becomes a  
26 nonprofit private museum; except goods, wares, or merchandise,  
27 or services rendered, furnished, or performed used in the  
28 performance of any contract in connection with the operation  
29 of any municipal utility engaged in selling gas, electricity,  
30 or heat to the general public or in connection with the  
31 operation of a municipal pay television system; and except  
32 goods, wares, and merchandise used in the performance of a  
33 contract for a "project" under chapter 419 as defined in that  
34 chapter other than goods, wares, or merchandise used in the  
35 performance of a contract for a "project" under chapter 419

1 for which a bond issue was approved by a municipality prior to  
2 July 1, 1968, or for which the goods, wares, or merchandise  
3 becomes an integral part of the project under contract and at  
4 the completion of the project becomes public property, or is  
5 devoted to educational uses, or is devoted to nonprofit  
6 private museum uses.

## 7 EXPLANATION

8 Present law allows nonprofit private museums to receive a  
9 refund of the sales or use tax paid by a contractor in  
10 building the museum except if the cost of the museum is paid  
11 as a result of the issuance of local government revenue bonds.  
12 This bill will allow refunds to be paid in the case of revenue  
13 bonds being issued to pay for the cost of the museum if it is  
14 devoted to nonprofit museum uses. This refund provision is  
15 presently available for revenue bond projects which become  
16 public property or are devoted to educational uses.

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