

House Study Bill 207

Bill Text

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1 1 Section 1. Section [422.45](#), subsection 18, Code 1999, is
1 2 amended to read as follows:
1 3 18. Gross receipts from the sale of tangible personal
1 4 property, except vehicles subject to registration, to a person
1 5 regularly engaged in the business of leasing

~~if the period of~~

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~~the lease is for more than five months~~
~~or renting, or a person~~

1 7 regularly engaged in the consumer rental purchase business if
1 8 the property is to be utilized in a transaction involving a
1 9 consumer rental purchase agreement as defined in section
1 10 537.3604, subsection 8, and the leasing, renting, or consumer
1 11 rental of the property is subject to taxation under this
1 12 division. If tangible personal property exempt under this
1 13 subsection is made use of for any purpose other than leasing,
1 14 renting, or consumer rental purchase, the person claiming the
1 15 exemption under this subsection is liable for the tax that
1 16 would have been due except for this subsection. The tax shall
1 17 be computed upon the original purchase price. The aggregate
1 18 of the tax paid on the leasing, renting, or rental purchase of
1 19 such tangible personal property, not to exceed the amount of
1 20 the sales tax owed, shall be credited against the tax. This
1 21 sales tax is in addition to any sales or use tax that may be
1 22 imposed as a result of the disposal of such tangible personal
1 23 property.

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EXPLANATION

1 25 The bill exempts from the sales and use taxes the sale of
1 26 tangible personal property to a person regularly engaged in
1 27 the business of leasing or renting the property or regularly
1 28 engaged in the consumer rental purchase business. However,
1 29 the exemption only applies if the lease, rental, or consumer
1 30 rental of the tangible personal property is subject to sales
1 31 or use tax when it is leased or rented. If the property is
1 32 used for other than leasing or rental, then sales or use tax
1 33 is due with credit for the amount of sales or use tax paid if
1 34 previously leased or rented.

1 35 LSB 2985HC 78

2 1 mg/cf/24