

House Study Bill 577

Bill Text

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1 1 Section 1. Section [422.45](#), subsection 26, paragraph b,
1 2 Code Supplement 1999, is amended to read as follows:
1 3 b. The farm machinery and equipment shall constitute self-
1 4 propelled implements or implements customarily drawn or
1 5 attached to self-propelled implements

~~or the farm machinery or~~

1 6

~~equipment is a grain dryer~~

1 7 Sec. 2. Section [422.45](#), Code Supplement 1999, is amended
1 8 by adding the following new subsections:

1 9 **NEW SUBSECTION.** 26A. The gross receipts from the sale of
1 10 machinery or equipment used for any of the following:

1 11 a. The blending of fertilizers, including fertilizers,
1 12 soil conditioners, and unmanipulated manure as defined in
1 13 section 200.3.

1 14 b. The preservation or improvement of the condition of
1 15 harvested grain as defined in section 203.1, including
1 16 equipment used to dry, remove moisture from, ventilate, or
1 17 aerate the grain.

1 18 **NEW SUBSECTION.** 26B. The gross receipts from the sale of
1 19 electricity used in the preservation or improvement of the
1 20 condition of harvested grain as defined in section 203.1,
1 21 including electricity used to dry, remove moisture from,
1 22 ventilate, or aerate the grain.

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

1 35 Sec. 4. EFFECTIVE DATE AND RETROACTIVE APPLICABILITY
2 1 PROVISION. This Act, being deemed of immediate importance,
2 2 takes effect upon enactment and applies retroactively to
2 3 January 1, 1988.

2 4 EXPLANATION

2 5 This bill amends Code section 422.45 which provides
2 6 exemptions from the retail sales tax imposed on the gross
2 7 receipts from all sales of tangible personal property.
2 8 Specifically, the bill exempts gross receipts from the sale of
2 9 equipment used for blending fertilizers and preserving or
2 10 improving the condition of harvested grain. The bill also
2 11 exempts the gross receipts from the sale of electricity used
2 12 in the preservation or improvement of the condition of
2 13 harvested grain.

2 14 The bill eliminates a current Code provision which exempts
2 15 the gross receipts of farm machinery used in grain drying.

2 16 The bill takes effect upon enactment and applies
2 17 retroactively to January 1, 1988. The bill provides a
2 18 procedure for filing refund claims.
2 19 LSB 5794HC 78
2 20 da/cls/14