

FILED FEB 9 1999

SENATE FILE 116

BY FLYNN

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

A BILL FOR

1 An Act exempting sales of tangible personal property and services
 2 to nonprofit organizations from the state sales and use taxes.
 3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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SF 116 WAYS & MEANS

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 sales of
4 tangible personal property or from the rendering or furnishing
5 of services to a nonprofit organization which tangible
6 personal property or services are used solely for the
7 appropriate objects of the nonprofit organization. For
8 purposes of this exemption, a nonprofit organization is one
9 whose income is exempt from federal taxation under section
10 501(c)(3) the Internal Revenue Code.

11 EXPLANATION

12 The bill exempts from the state sales and use taxes the
13 sale of tangible personal property and services to nonprofit
14 organizations whose income is exempt from federal taxation.

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