

S- 2/3/99 Do Pass  
H- 2/18/99 Ways & Means  
WAYS & MEANS  
H- 3/10/99 Do Pass  
FILED JAN 12 1999

SENATE FILE 9  
BY MCKIBBEN and BLACK

Passed Senate, Date <sup>P.319</sup> 2/16/99 Passed House, Date <sup>(P.1372)</sup> 4/15/99  
Vote: Ayes 47 Nays 0 Vote: Ayes 87 Nays 1  
Approved 4-26-99

A BILL FOR

1 An Act relating to the exemption of the sales and use tax on  
2 building materials, supplies, or equipment of certain rural  
3 water districts, and providing retroactive applicability and  
4 effective dates.

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

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WAYS & MEANS

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

3 NEW SUBSECTION. 7B. The gross receipts from the sale of  
4 building materials, supplies, or equipment sold to rural water  
5 districts organized under chapter 504A as provided in chapter  
6 357A and used for the construction of facilities of a rural  
7 water district.

8 Sec. 2. APPLICABILITY AND EFFECTIVE DATES.

9 1. This Act applies retroactively to July 1, 1998, for  
10 sales made or uses occurring on or after that date.

11 2. This Act, being deemed of immediate importance, takes  
12 effect upon enactment.

13 EXPLANATION

14 In 1998, the general assembly enacted Senate File 2365  
15 (1998 Iowa Acts, ch. 1161), which amended Code section 357A.15  
16 to provide that a rural water district organized under Code  
17 chapter 504A could receive a refund of sales and use taxes on  
18 the gross receipts of all sales of building materials,  
19 supplies, or equipment sold to a contractor or used in the  
20 fulfillment of a written contract for the construction of  
21 facilities for the rural water district. A rural water  
22 district organized under Code chapter 357A as a governmental  
23 subdivision may receive a similar refund under Code section  
24 422.45, subsection 7, regardless of whether it constructs the  
25 facilities or hires a contractor to construct the facilities.

26 This bill amends Code section 422.45 to provide that a  
27 rural water district organized under Code chapter 504A that  
28 performs its own construction of facilities is eligible to  
29 receive an exemption from sales and use taxes.

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AN ACT

RELATING TO THE EXEMPTION OF THE SALES AND USE TAX ON BUILDING MATERIALS, SUPPLIES, OR EQUIPMENT OF CERTAIN RURAL WATER DISTRICTS, AND PROVIDING RETROACTIVE APPLICABILITY AND EFFECTIVE DATES.

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

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

NEW SUBSECTION. 7B. The gross receipts from the sale of building materials, supplies, or equipment sold to rural water districts organized under chapter 504A as provided in chapter 357A and used for the construction of facilities of a rural water district.

Sec. 2. APPLICABILITY AND EFFECTIVE DATES.

1. This Act applies retroactively to July 1, 1998, for sales made or uses occurring on or after that date.

2. This Act, being deemed of immediate importance, takes effect upon enactment.

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MARY E. KRAMER  
President of the Senate

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RON J. CORBETT  
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 9, Seventy-eighth General Assembly.

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MICHAEL E. MARSHALL  
Secretary of the Senate

Approved April 26, 1999

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THOMAS J. VILSACK  
Governor