

FEB 25 2004
WAYS AND MEANS

HOUSE FILE 2361
BY COMMITTEE ON HUMAN RESOURCES

(SUCCESSOR TO HF 2043)

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

A BILL FOR

1 An Act exempting sales made to nonprofit child care centers from
2 the sales and use taxes.

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

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HF 2361

1 Section 1. Section 423.3, as enacted by 2003 Iowa Acts,
2 First Extraordinary Session, chapter 2, section 96, is amended
3 by adding the following new subsection:

4 NEW SUBSECTION. 84. The sales price of tangible personal
5 property sold, or of services furnished, to a nonprofit child
6 care center licensed under section 237A.2.

7 EXPLANATION

8 This bill exempts from the sales and use taxes the sale of
9 tangible personal property and services sold to a nonprofit
10 child care center licensed by the department of human
11 services.

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**Fiscal Services Division
Legislative Services Agency
Fiscal Note**

HF 2361 - Child Care Center Exemption (LSB 5562 HV)
Analyst: Jeff Robinson (Phone: (515) 281-4614) (jeff.robinson@legis.state.ia.us)
Fiscal Note Version — HF 2361

Description

House File 2361 exempts the sale of tangible personal property to non-profit day care centers licensed by the Department of Human Services (DHS) from the sales and use tax. The exemption would begin July 1, 2004.

Assumptions

1. Enrollment at DHS licensed non-profit day care centers is currently 57,500.
2. The weekly tangible personal property expenditure at DHS-licensed day care centers averages \$13.00 per child.
3. The State sales tax rate is 5.0% and local option sales taxes average 1.0% across the State.
4. Sales and use tax growth will not exceed 2.0% in FY 2005, but will do so in FY 2006 and future years.
5. The Grow Iowa Values Fund receives all sales and use tax revenue growth in excess of 2.0% for fiscal years 2004 through 2010.

Fiscal Impact

The tax exemption in HF 2361 will reduce General Fund revenues by \$1.9 million in FY 2005. The revenue reduction will be similar in future fiscal years, however, the reduction will shift to the Grow Iowa Values Fund for FY 2006 through FY 2010.

House File 2361 will also reduce local option sales tax receipts by \$389,000 per year.

Sources

Department of Revenue
Department of Human Services

Dennis C Prouty

March 1, 2004

The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Fiscal Services Division, Legislative Services Agency to members of the Legislature upon request.

**Fiscal Services Division
Legislative Services Agency
Fiscal Note**

HF 2367 - Corrections Omnibus (LSB 5167 HV)

Analyst: Beth Lenstra (Phone: (515) 281-6301) (beth.lenstra@legis.state.ia.us)

Fiscal Note Version - New

Description

House File 2367 creates the Inmate Labor Fund, a restricted fund under the control of the Department of Corrections. Fund receipts consist of any fees, grants, appropriations or reimbursed costs received by the Department related to inmate labor. Fund expenditures are restricted to those related to the provision of inmate labor to public entities, such as staff and transportation costs.

Assumptions

1. The Department of Corrections will propose administrative rules to implement HF 2367. The Department is considering a sliding fee scale of \$3.00 to \$5.00 per day per inmate to be charged to public entities. The rules will include a waiver provision.
2. Approximately 1,200 inmates are working for public entities at any given time.

Fiscal Impact

Receipts to the Inmate Labor Fund are anticipated to be no more than \$80,000 annually. The receipts will be used to offset the costs of providing inmate labor, such as vehicle maintenance, required safety equipment, and security.

Source

Department of Corrections

Dennis C Prouty

March 4, 2004

The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Fiscal Services Division, Legislative Services Agency to members of the Legislature upon request.
