

FILED FEB 13 '03

SENATE FILE 137
BY PUTNEY

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

A BILL FOR

1 An Act relating to the exemption from the sales and use taxes of
2 certain horses and certain tangible personal property used in
3 the raising of horses.

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

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JF 137
WAYS & MEANS

1 Section 1. Section 422.45, subsection 17, Code 2003, is
2 amended to read as follows:

3 17. The gross receipts from the sale of horses, commonly
4 ~~known-as-draft-horses, when-purchased-for-use-and-so-used-as-a~~
5 ~~draft-horse~~ except horses used for gambling-associated
6 purposes.

7 Sec. 2. Section 422.45, Code 2003, is amended by adding
8 the following new subsection:

9 NEW SUBSECTION. 17A. The gross receipts from the sale of
10 the following tangible personal property when used primarily
11 for the raising of horses:

- 12 a. Wood chips, sawdust, hay, straw, paper, or other
13 materials used for bedding.
- 14 b. Food and medication.
- 15 c. Fuel used to provide heat or cooling for horse stables.
- 16 d. Water used directly as drinking water.

17 The exemptions in this subsection do not apply to horses
18 used or raised for gambling-associated purposes.

19 EXPLANATION

20 Present law exempts the sale of draft horses from the state
21 sales and use taxes. This bill expands the exemption to
22 include the sale of all horses except those used for gambling-
23 associated purposes. The bill also exempts bedding materials,
24 food, medications, drinking water, and fuel for heating or
25 cooling stables when used in the raising of horses except
26 horses used or raised for gambling-associated purposes. These
27 items are presently exempt when used in the raising of
28 livestock and fowl.

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