

APR 6 2005
WAYS & MEANS CALENDAR

HOUSE FILE 844
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 56)

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

A BILL FOR

1 An Act relating to the exemption of sales and use taxes on the
2 purchase of coins, currency, or bullion.

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

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HF
844

1 Section 1. Section 423.3, Code 2005, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 85. a. The sales price from the sale of
4 coins, currency, or bullion.

5 b. For purposes of this subsection:

6 (1) "Bullion" means bars, ingots, or commemorative
7 medallions of gold, silver, platinum, palladium, or a
8 combination of these where the value of the metal depends on
9 its content and not the form.

10 (2) "Coins" or "currency" means a coin or currency made of
11 gold, silver, or other metal or paper which is or has been
12 used as legal tender.

13 EXPLANATION

14 This bill exempts the sales price from the sale of coins,
15 currency, or bullion from the sales and use taxes. "Coins"
16 and "currency" are defined to include metal or paper that is
17 or was used as legal tender. "Bullion" is defined to include
18 bars, ingots, or commemorative medallions of precious metals.

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Fiscal Services Division
Legislative Services Agency
Fiscal Note

HF 844 - Sales Tax Exemption on Coins, Currency, and Bullion (LSB 1511 HV)
Analyst: Jeff Robinson (Phone: (515) 281-4614) (jeff.robinson@legis.state.ia.us)
Fiscal Note Version - New
Requested by Representative Carmine Boal

Description

House File 844 provides a sales tax exemption on the purchase of coins, currency, and bullion sold to retail customers in Iowa. The change is effective July 1, 2005.

Assumptions

1. Iowa sales currently subject to the State and local sales tax is a minimum of \$7.3 million per year, based on limited information pertaining to:
 - a. American Eagle gold bullion set sales.
 - b. Sales at Iowa jewelry stores dealing in rare coins.
 - c. Sales of rare coins sold at Iowa pawn shops.
2. The State sales tax rate is 5.0%, and the State average local option tax rate is 1.2%.

Fiscal Impact

The coin, currency, and bullion sales tax exemption contained in HF 844 will reduce net General Fund revenue by a minimum of \$365,000 in FY 2006, and that minimum will grow by 3.0% per year.

The exemption will also reduce local option sales tax revenue by a minimum of \$88,000 per year.

Sources

Department of Revenue
United States Census Bureau data

Dennis C Prouty

April 12, 2005

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.

HOUSE FILE 844

H-1396

1 Amend House File 844 as follows:

2 1. By striking everything after the enacting
3 clause and inserting the following:

4 "Section 1. CHILD AND FAMILY SERVICES.

5 1. There is appropriated from the general fund of
6 the state to the department of human services for the
7 fiscal year beginning July 1, 2005, and ending June
8 30, 2006, the following amount, or so much thereof as
9 is necessary, to be used for the purpose designated:

10 For child and family services:

11 \$ 300,000

12 The amount appropriated in this section shall be
13 used for distribution of competitive grants for the
14 provision of public education and outreach to reduce
15 the incidence of sexual abuse and exploitation of
16 children and sexual crimes against children. To
17 receive a grant under this section, a grantee must
18 demonstrate successful collaboration with a child
19 abuse prevention council or a community partnership
20 for protecting children."

21 2. Title page, by striking lines 1 and 2, and
22 inserting the following: "An Act making an
23 appropriation for child abuse prevention education."

By HOGG of Linn

H-1396 FILED APRIL 19, 2005

NOT GERMANE