

# House Study Bill 78

HOUSE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON WAYS  
AND MEANS BILL BY  
CHAIRPERSON VAN FOSSEN)

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

## A BILL FOR

1 An Act relating to the establishment of an industrial processing  
2 exemption study committee and including an effective date.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
4 TLSB 1889HC 81  
5 mg/pj/5

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1 1 Section 1. INDUSTRIAL PROCESSING EXEMPTION STUDY  
1 2 COMMITTEE. Upon enactment of this Act, the department of  
1 3 revenue shall initiate and coordinate the establishment of an  
1 4 industrial processing exemption study committee and provide  
1 5 staffing assistance to the committee. It is the intent of the  
1 6 general assembly that the committee shall include  
1 7 representatives of the department of revenue, department of  
1 8 management, industrial producers including manufacturers,  
1 9 fabricators, printers and publishers, and an association that  
1 10 specifically represents business tax issues, and other  
1 11 stakeholders.

1 12 The industrial processing exemption under the sales and use  
1 13 tax is a significant exemption for business. The committee  
1 14 shall study and make legislative and administrative  
1 15 recommendations relating to Iowa's processing exemption to  
1 16 ensure maximum utilization by Iowa's industries.

1 17 The committee shall study and make recommendations  
1 18 regarding all of the following:

1 19 1. The current sales and use tax industrial processing  
1 20 exemption.

1 21 2. The corresponding administrative rules, including a  
1 22 review and recommendation of an administrative rules process  
1 23 relating to the industrial processing exemption prior to  
1 24 filing with the administrative rules review committee.

1 25 3. Other states' industrial processing exemptions.

1 26 4. Recommendations for change for issues including  
1 27 effectiveness and competitiveness.

1 28 5. Development of additional publications to improve  
1 29 compliance.

1 30 The committee shall annually report to the general assembly  
1 31 by January 1 of each year through January 1, 2013.

1 32 Sec. 2. EFFECTIVE DATE. This Act, being deemed of  
1 33 immediate importance, takes effect upon enactment.

1 34 EXPLANATION

1 35 This bill requires the department of revenue to establish  
2 1 and provide staffing for a study committee to study and make  
2 2 recommendations relating to the sales tax exemption for  
2 3 industrial processing. Membership of this committee would  
2 4 include representatives of the departments of revenue and  
2 5 management, industrial producers including manufacturers,  
2 6 fabricators, printers, and other stakeholders. The committee  
2 7 is to report to the general assembly by January 1 of each year  
2 8 through January 1, 2013.

2 9 The bill takes effect upon enactment.

2 10 LSB 1889HC 81

2 11 mg:nh/pj/5