

House Study Bill 790

HOUSE FILE _____
BY (PROPOSED COMMITTEE ON
WAYS AND MEANS BILL BY
CHAIRPERSON SHOMSHOR)

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

A BILL FOR

1 An Act relating to a sales and use tax exemption for paint and
2 materials used in coating water tanks, providing refunds, and
3 including effective and retroactive applicability date
4 provisions.

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

6 TLSB 6653HC 82

7 mg/nh/5

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1 1 Section 1. Section 423.3, subsection 38, Code Supplement

1 2 2007, is amended to read as follows:

1 3 38. The sales price from the sale of building materials,

1 4 supplies, or equipment, including paint and other materials

1 5 used to coat water tanks, sold to rural water districts

1 6 organized under chapter 504 as provided in chapter 357A and

1 7 used for the construction of facilities or coating of water

1 8 tanks of a rural water district.

1 9 Sec. 2. REFUNDS. Refunds of taxes, interest, or penalties

1 10 which arise from claims resulting from the amendment of

1 11 section 423.3, subsection 38, by this Act for the exemption of

1 12 the sales of paint and other materials used in coating water

1 13 tanks occurring between July 1, 1997, and the effective date

1 14 of this Act, shall not be allowed unless refund claims are

1 15 filed by October 1, 2008, notwithstanding any other provision

1 16 of law.

1 17 Sec. 3. EFFECTIVE AND RETROACTIVE APPLICABILITY DATES.

1 18 The section of this Act amending section 423.3, subsection 38,

1 19 being deemed of immediate importance, takes effect upon

1 20 enactment and applies retroactively to July 1, 1997.

1 21 EXPLANATION

1 22 This bill provides that the purchase of paint and other

1 23 materials used to coat water tanks by a rural water district

1 24 is exempt from the sales and use tax. The exemption takes

1 25 effect upon enactment and applies retroactively to July 1,

1 26 1997. Because of the retroactive applicability provision, the

1 27 bill authorizes refunds of taxes, interest, or penalties that

1 28 were paid for sales made during the period beginning July 1,

1 29 1997, and ending with the effective date of the bill. To

1 30 receive a refund, a person must file a claim by October 1,

1 31 2008.

1 32 LSB 6653HC 82

1 33 mg/nh/5