

Senate Study Bill 1343

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
WAYS AND MEANS BILL BY
CHAIRPERSON BOLKCOM)

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

A BILL FOR

1 An Act relating to a sales tax exemption for the operation of
2 nonprofit private performing arts centers, allowing a sales
3 tax refund for construction of such centers, and including a
4 retroactive applicability date.

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

6 TLSB 2872SC 82

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1 1 Section 1. Section 423.3, subsection 22, Code 2007, is
1 2 amended to read as follows:

1 3 22. The sales price from sales of goods, wares, or
1 4 merchandise, or from services furnished, to a nonprofit
1 5 private art center or performing arts center to be used in the
1 6 operation of the art center or performing arts center.

1 7 Sec. 2. Section 423.4, subsection 1, unnumbered paragraph
1 8 1, Code 2007, is amended to read as follows:

1 9 A private nonprofit educational institution in this state,
1 10 nonprofit Iowa affiliate of a nonprofit international
1 11 organization whose primary activity is the promotion of the
1 12 construction, remodeling, or rehabilitation of one=family or
1 13 two=family dwellings for low=income families, nonprofit
1 14 private museum in this state, nonprofit private performing
1 15 arts center, tax=certifying or tax=levying body or
1 16 governmental subdivision of the state, including the state
1 17 board of regents, state department of human services, state
1 18 department of transportation, a municipally owned solid waste
1 19 facility which sells all or part of its processed waste as
1 20 fuel to a municipally owned public utility, and all divisions,
1 21 boards, commissions, agencies, or instrumentalities of state,
1 22 federal, county, or municipal government which do not have
1 23 earnings going to the benefit of an equity investor or
1 24 stockholder, may make application to the department for the
1 25 refund of the sales or use tax upon the sales price of all
1 26 sales of goods, wares, or merchandise, or from services
1 27 furnished to a contractor, used in the fulfillment of a
1 28 written contract with the state of Iowa, any political
1 29 subdivision of the state, or a division, board, commission,
1 30 agency, or instrumentality of the state or a political
1 31 subdivision, a private nonprofit educational institution in
1 32 this state, a nonprofit Iowa affiliate described in this
1 33 subsection, or a nonprofit private museum in this state if the
1 34 property becomes an integral part of the project under
1 35 contract and at the completion of the project becomes public

2 1 property, is devoted to educational uses, becomes part of a
2 2 low=income one=family or two=family dwelling in the state, ~~or~~
2 3 becomes a nonprofit private museum, or becomes a nonprofit

2 4 private performing arts center; except goods, wares, or
2 5 merchandise, or services furnished which are used in the
2 6 performance of any contract in connection with the operation
2 7 of any municipal utility engaged in selling gas, electricity,
2 8 or heat to the general public or in connection with the
2 9 operation of a municipal pay television system; and except
2 10 goods, wares, and merchandise used in the performance of a
2 11 contract for a "project" under chapter 419 as defined in that
2 12 chapter other than goods, wares, or merchandise used in the
2 13 performance of a contract for a "project" under chapter 419
2 14 for which a bond issue was approved by a municipality prior to
2 15 July 1, 1968, or for which the goods, wares, or merchandise
2 16 becomes an integral part of the project under contract and at

2 17 the completion of the project becomes public property or is
2 18 devoted to educational uses.
2 19 Sec. 3. RETROACTIVE APPLICABILITY. The section of this
2 20 Act amending section 423.4 applies retroactively to July 1,
2 21 2005, for construction contracts entered into on or after that
2 22 date.

2 23 EXPLANATION

2 24 This bill exempts from sales tax the sale of materials and
2 25 services provided that are used in the operation of a
2 26 nonprofit private performing arts center. The bill allows the
2 27 sales tax from construction materials and services used to
2 28 build a nonprofit private performing arts center to be
2 29 refunded upon application to the Iowa department of revenue.
2 30 The bill makes the refund provision retroactively applicable
2 31 to construction contracts entered into on or after July 1,
2 32 2005.

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