

# House File 342 - Introduced

HOUSE FILE \_\_\_\_\_  
BY H. MILLER

(COMPANION TO SF 116 BY BEALL)

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

## A BILL FOR

1 An Act providing that the casual sales exemption under the state  
2 sales tax does not apply to the sales of all-terrain vehicles,  
3 snowmobiles, off-road motorcycles, and off-road utility  
4 vehicles.

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

6 TLSB 2103HH 83

7 ak/sc/8

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1 1 Section 1. Section 423.3, subsection 39, Code 2009, is  
1 2 amended to read as follows:

1 3 39. The sales price from "casual sales".

1 4 a. "Casual sales" means:

1 5 ~~a.~~ (1) Sales of tangible personal property, or the  
1 6 furnishing of services, of a nonrecurring nature, by the  
1 7 owner, if the seller, at the time of the sale, is not engaged  
1 8 for profit in the business of selling tangible personal  
1 9 property or services taxed under section 423.2.

1 10 ~~b.~~ (2) The sale of all or substantially all of the  
1 11 tangible personal property or services held or used by a  
1 12 seller in the course of the seller's trade or business for  
1 13 which the seller is required to hold a sales tax permit when  
1 14 the seller sells or otherwise transfers the trade or business  
1 15 to another person who shall engage in a similar trade or  
1 16 business.

1 17 ~~c.~~ (3) Notwithstanding ~~paragraph "a"~~ subparagraph (1), the  
1 18 sale, furnishing, or performance of a service that is of a  
1 19 recurring nature by the owner if, at the time of the sale, all  
1 20 of the following apply:

1 21 ~~(1)~~ (a) The seller is not engaged for profit in the  
1 22 business of the selling, furnishing, or performance of  
1 23 services taxed under section 423.2. For purposes of this  
1 24 subparagraph, the fact of the recurring nature of selling,  
1 25 furnishing, or performance of services does not constitute by  
1 26 itself engaging for profit in the business of selling,  
1 27 furnishing, or performance of services.

1 28 ~~(2)~~ (b) The owner of the business is the only person  
1 29 performing the service.

1 30 ~~(3)~~ (c) The owner of the business is a full-time student.

1 31 ~~(4)~~ (d) The total gross receipts from the sales,  
1 32 furnishing, or performance of services during the calendar  
1 33 year does not exceed five thousand dollars.

1 34 b. The exemption under this subsection does not apply to  
1 35 vehicles subject to registration, all-terrain vehicles,

2 1 snowmobiles, off-road motorcycles, off-road utility vehicles,  
2 2 aircraft, or commercial or pleasure watercraft or water  
2 3 vessels.

## EXPLANATION

2 5 This bill restricts the sales tax exemption for casual  
2 6 sales so that the casual sales of all-terrain vehicles,  
2 7 snowmobiles, off-road motorcycles, and off-road utility  
2 8 vehicles are not exempt from the state sales tax. Current law  
2 9 exempts such sales from state sales tax.

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