

**House File 101 - Introduced**

HOUSE FILE 101

BY WAGNER

**A BILL FOR**

1 An Act making the services of certain executive search agencies  
2 and private employment agencies exempt from the sales tax  
3 and including effective date and retroactive applicability  
4 provisions.

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

1 Section 1. Section 423.2, subsection 6, Code 2011, is  
2 amended to read as follows:

3 6. a. The sales price of any of the following enumerated  
4 services is subject to the tax imposed by subsection  
5 5: alteration and garment repair; armored car; vehicle repair;  
6 battery, tire, and allied; investment counseling; service  
7 charges of all financial institutions; barber and beauty;  
8 boat repair; vehicle wash and wax; campgrounds; carpentry;  
9 roof, shingle, and glass repair; dance schools and dance  
10 studios; dating services; dry cleaning, pressing, dyeing, and  
11 laundering; electrical and electronic repair and installation;  
12 excavating and grading; farm implement repair of all kinds;  
13 flying service; furniture, rug, carpet, and upholstery  
14 repair and cleaning; fur storage and repair; golf and country  
15 clubs and all commercial recreation; gun and camera repair;  
16 house and building moving; household appliance, television,  
17 and radio repair; janitorial and building maintenance or  
18 cleaning; jewelry and watch repair; lawn care, landscaping,  
19 and tree trimming and removal; limousine service, including  
20 driver; machine operator; machine repair of all kinds; motor  
21 repair; motorcycle, scooter, and bicycle repair; oilers and  
22 lubricators; office and business machine repair; painting,  
23 papering, and interior decorating; parking facilities; pay  
24 television; pet grooming; pipe fitting and plumbing; wood  
25 preparation; ~~executive search agencies; private employment~~  
26 ~~agencies, excluding services for placing a person in employment~~  
27 ~~where the principal place of employment of that person is~~  
28 ~~to be located outside of the state;~~ reflexology; security  
29 and detective services; sewage services for nonresidential  
30 commercial operations; sewing and stitching; shoe repair  
31 and shoeshine; sign construction and installation; storage  
32 of household goods, mini-storage, and warehousing of raw  
33 agricultural products; swimming pool cleaning and maintenance;  
34 tanning beds or salons; taxidermy services; telephone  
35 answering service; test laboratories, including mobile testing

1 laboratories and field testing by testing laboratories, and  
2 excluding tests on humans or animals; termite, bug, roach, and  
3 pest eradicators; tin and sheet metal repair; transportation  
4 service consisting of the rental of recreational vehicles or  
5 recreational boats, or the rental of motor vehicles subject  
6 to registration which are registered for a gross weight of  
7 thirteen tons or less for a period of sixty days or less, or  
8 the rental of aircraft for a period of sixty days or less;  
9 Turkish baths, massage, and reducing salons, excluding services  
10 provided by massage therapists licensed under chapter 152C;  
11 water conditioning and softening; weighing; welding; well  
12 drilling; wrapping, packing, and packaging of merchandise other  
13 than processed meat, fish, fowl, and vegetables; wrecking  
14 service; wrecker and towing.

15 b. For the purposes of this subsection, "*financial*  
16 *institutions*" means all national banks, federally chartered  
17 savings and loan associations, federally chartered savings  
18 banks, federally chartered credit unions, banks organized under  
19 chapter 524, savings and loan associations and savings banks  
20 organized under chapter 534, credit unions organized under  
21 chapter 533, and all banks, savings banks, credit unions, and  
22 savings and loan associations chartered or otherwise created  
23 under the laws of any state and doing business in Iowa.

24 Sec. 2. REFUNDS. Refunds of taxes, interest, or penalties  
25 which arise from claims resulting from the amendment of section  
26 423.2, subsection 6, in this Act, for the exemption of sales  
27 of executive search agencies and private employment agencies  
28 occurring between January 1, 2002, and the effective date of  
29 this Act, shall be limited to fifty thousand dollars in the  
30 aggregate and shall not be allowed unless refund claims are  
31 filed prior to October 1, 2011, notwithstanding any other  
32 provision of law. If the amount of claims totals more than  
33 fifty thousand dollars in the aggregate, the department of  
34 revenue shall prorate the fifty thousand dollars among all  
35 claimants in relation to the amounts of the claimants' valid

1 claims. Claimants shall not be entitled to interest on any  
2 refunds.

3 Sec. 3. EFFECTIVE UPON ENACTMENT AND RETROACTIVE  
4 APPLICABILITY. This Act, being deemed of immediate importance,  
5 takes effect upon enactment and applies retroactively to  
6 January 1, 2002.

7 EXPLANATION

8 This bill relates to the imposition of the sales tax on  
9 certain enumerated services.

10 Currently, the sales tax is imposed on the services provided  
11 by executive search agencies and private employment agencies.  
12 The bill removes such agencies from the list of enumerated  
13 services upon which the sales tax is imposed.

14 The bill provides for refunds of taxes, interest, or  
15 penalties which arise from claims resulting from the change to  
16 exemption from taxation of these services. These refunds are  
17 limited to \$50,000 in the aggregate. Claims for refund must be  
18 filed by October 1, 2011.

19 The bill takes effect upon enactment and applies  
20 retroactively to January 1, 2002.