

House Study Bill 229 - Introduced

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

A BILL FOR

1 An Act providing a sales tax exemption for the sale of paint
2 and other consumable items to an auto body shop.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 423.3, Code 2011, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 96. The sales price from the sale of paint
4 and other consumable items to an auto body shop if all of the
5 following conditions exist:

6 a. The paint or other consumable item is purchased directly
7 and primarily for use by the auto body shop in the furnishing
8 of vehicle repair services such that the paint or other
9 consumable item becomes an ingredient or component part of the
10 repair work performed by the auto body shop.

11 b. The paint or other consumable item is listed as a
12 separate item on the auto body shop's customer invoice and is
13 transferred to the customer in a form or quantity to which a
14 definite price or value can be assigned.

15 EXPLANATION

16 This bill provides a sales tax exemption for the sales price
17 of the sale of paint and other consumable items to an auto body
18 shop if the sale meets certain criteria.

19 By operation of Code section 423.6, an item exempt from the
20 imposition of the sales tax is also exempt from the use tax
21 imposed in Code section 423.5.