

Senate Study Bill 3185 - Introduced

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

A BILL FOR

1 An Act providing a sales tax exemption for the sale of certain
2 items to a substance abuse treatment provider.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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

3 NEW SUBSECTION. 96. a. The sales price of materials,
4 supplies, or equipment sold to a substance abuse treatment
5 provider if such materials, supplies, or equipment shall be
6 directly and primarily used by the substance abuse treatment
7 provider in the treatment of substance abuse.

8 b. For purposes of this subsection:

9 (1) "*Substance abuse*" means the same as defined in section
10 125.2.

11 (2) "*Substance abuse treatment provider*" means any person
12 maintaining or conducting any chemical substitutes or
13 antagonists program, residential program, or nonresidential
14 outpatient program, the primary purpose of which is the
15 treatment and rehabilitation of substance abusers or substance
16 abuse, which program is licensed by the Iowa department of
17 public health under section 125.13, subsection 1, or which
18 is exempt from licensure under section 125.13, subsection 2,
19 or which is a state mental health institute designated under
20 chapter 226 that provides substance abuse treatment.

21 EXPLANATION

22 This bill provides a sales tax exemption for the sales price
23 of materials, supplies, and equipment sold to a substance abuse
24 treatment provider, as defined in the bill, if the materials,
25 supplies, and equipment are directly and primarily used by
26 the substance abuse treatment provider in the treatment of
27 substance abuse.

28 By operation of Code section 423.6, an item exempt from the
29 imposition of the sales tax is also exempt from the use tax
30 imposed in Code section 423.5.