

House File 2451 - Introduced

HOUSE FILE 2451

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HSB 671)

A BILL FOR

1 An Act relating to the rebate of sales tax imposed and
2 collected at an automobile racetrack facility and including
3 effective date and retroactive applicability provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 423.4, subsection 5, paragraph a,
2 subparagraphs (2), (3), and (4), Code 2014, are amended to read
3 as follows:

4 (2) *"Change of control"* means ~~any of the following:~~

5 ~~(a) Any any change in the ownership of the original or any~~
6 ~~subsequent legal entity that is the owner or operator of the~~
7 ~~automobile racetrack facility such that less than twenty-five~~
8 ~~percent of the equity interests in the legal entity is owned~~
9 ~~by individuals who are residents of Iowa, an Iowa corporation~~
10 ~~business, or combination of both.~~

11 ~~(b) The original owners of the legal entity that is the~~
12 ~~owner or operator of the automobile racetrack facility shall~~
13 ~~collectively cease to own at least twenty-five percent of the~~
14 ~~voting equity interests of such legal entity.~~

15 (3) *"Iowa corporation business"* means a corporation or
16 limited liability company incorporated or formed under the laws
17 of Iowa ~~where at least twenty-five percent of the corporation's~~
18 ~~equity interests are owned by individuals who are residents of~~
19 ~~Iowa.~~

20 (4) *"Owner or operator"* means a for-profit legal entity
21 where at least twenty-five percent of its equity interests
22 are owned by individuals who are residents of Iowa, an Iowa
23 corporation business, or combination of both and that is the
24 owner or operator of an automobile racetrack facility and is
25 primarily a promoter of motor vehicle races.

26 Sec. 2. Section 423.4, subsection 5, paragraph c,
27 subparagraph (3), Code 2014, is amended to read as follows:

28 (3) The transactions for which sales tax was collected and
29 the rebate is sought occurred on or after January 1, 2006, but
30 before January 1, ~~2016~~ 2026. However, not more than twelve
31 million five hundred thousand dollars in total rebates shall be
32 provided pursuant to this subsection.

33 Sec. 3. Section 423.4, subsection 5, paragraph g, Code 2014,
34 is amended to read as follows:

35 *g.* This subsection is repealed June 30, ~~2016~~ 2026, or thirty

1 days following the date on which twelve million five hundred
2 thousand dollars in total rebates have been provided, or thirty
3 days following the date on which rebates cease as provided in
4 paragraph "c", subparagraph (4), whichever is the earliest.

5 Sec. 4. EFFECTIVE UPON ENACTMENT. This Act, being deemed of
6 immediate importance, takes effect upon enactment.

7 Sec. 5. RETROACTIVE APPLICABILITY. This Act applies
8 retroactively to November 1, 2013.

9 EXPLANATION

10 The inclusion of this explanation does not constitute agreement with
11 the explanation's substance by the members of the general assembly.

12 This bill relates to the rebate of sales tax imposed
13 and collected at certain automobile racetrack facilities
14 (facility).

15 Under current law, the owner or operator of a facility may
16 receive a rebate of the sales tax imposed and collected by
17 retailers at the facility. The rebate is limited to sales
18 occurring before January 1, 2016, and is limited to a total of
19 \$12.5 million. The rebate ceases if a "change in control", as
20 defined in statute, occurs. A change in control occurs when
21 the original owners cease to own at least 25 percent of the
22 voting equity interests in the legal entity that is the owner
23 or operator of the facility or when less than 25 percent of
24 the equity interests in the legal entity that is the owner
25 or operator of the facility are owned by individuals who are
26 residents of Iowa or an Iowa corporation or a combination
27 of both. "Iowa corporation" is defined in statute as a
28 corporation incorporated under the laws of Iowa where at least
29 25 percent of the corporation's equity interests are owned by
30 individuals who are residents of Iowa.

31 The bill extends the rebate by 10 years to sales occurring
32 before January 1, 2026, and extends the repeal date of the
33 rebate to the same date. The bill changes the definition
34 of "change in control" by removing the requirement that the
35 original owners retain at least 25 percent of the voting equity

1 interests in the legal entity that is the owner or operator of
2 the facility. The bill also changes the definition of "Iowa
3 corporation" by renaming it as "Iowa business", allowing a
4 limited liability company formed under the laws of Iowa to
5 qualify, and removing the requirement that at least 25 percent
6 of the corporation's or limited liability company's equity
7 interests be owned by individuals who are residents of Iowa.

8 The bill takes effect upon enactment and applies
9 retroactively to November 1, 2013.