

House File 598 - Introduced

HOUSE FILE 598

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 111)

A BILL FOR

1 An Act exempting the sales price of all-terrain vehicles and
2 off-road utility vehicles used primarily in agricultural
3 production from the sales and use tax.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 423.3, subsection 8, Code 2013, is
2 amended by adding the following new paragraph:

3 NEW PARAGRAPH. *d.* For purposes of this subsection, an
4 all-terrain vehicle and an off-road utility vehicle, as defined
5 in section 321I.1, are exempt under paragraph "a" when used
6 primarily in agricultural production.

7 EXPLANATION

8 This bill exempts the sales price of all-terrain vehicles
9 and off-road utility vehicles used primarily in agricultural
10 production from the sales and use tax. Under current law, such
11 vehicles are not exempt from sales and use tax unless they
12 are directly and primarily used in production of agricultural
13 products.

14 "All-terrain vehicle" means a motorized vehicle with not
15 less than three and not more than six nonhighway tires that is
16 limited in engine displacement to less than one thousand cubic
17 centimeters and in total dry weight to less than one thousand
18 two hundred pounds and that has a seat or saddle designed to be
19 straddled by the operator and handlebars for steering control.

20 "Off-road utility vehicle" means a motorized vehicle with
21 not less than four and not more than eight nonhighway tires or
22 rubberized tracks that is limited in engine displacement to
23 less than 1,500 cubic centimeters and in total dry weight to
24 not more than 2,000 pounds and that has a seat that is of bucket
25 or bench design, not intended to be straddled by the operator,
26 and a steering wheel or control levers for control.

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