

**House Study Bill 669 - Introduced**

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

**A BILL FOR**

1 An Act exempting from the sales tax the sales price of a diesel  
2 fuel trailer or seed tender used primarily in agricultural  
3 production.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 423.3, subsection 8, Code 2014, is  
2 amended by adding the following new paragraph:

3 NEW PARAGRAPH. *d.* (1) For purposes of this subsection,  
4 the following items are exempt under paragraph "a" when used  
5 primarily in agricultural production:

6 (a) A diesel fuel trailer, regardless of the vehicle to  
7 which it is to be attached.

8 (b) A seed tender, regardless of the vehicle to which it is  
9 to be attached.

10 (2) For purposes of this paragraph:

11 (a) "*Fuel trailer*" means a trailer that holds dyed diesel  
12 fuel or diesel exhaust fluid and that is used to transport such  
13 fuel or fluid to a self-propelled implement of husbandry.

14 (b) "*Seed tender*" means a trailer that holds seed and that  
15 is used to transport seed to a self-propelled implement of  
16 husbandry and load seed into a self-propelled implement of  
17 husbandry.

18 EXPLANATION

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

21 This bill exempts from the sales tax the sales price of  
22 a diesel fuel trailer or a seed tender used primarily in  
23 agricultural production, regardless of the vehicle to which  
24 the diesel fuel trailer or seed tender is to be attached.  
25 Under current law, such items are not exempt from sales tax  
26 unless they are directly and primarily used in production of  
27 agricultural products and are customarily drawn or attached to  
28 self-propelled farm implements.

29 "Fuel trailer" and "seed tender" are both defined in the  
30 bill.

31 By operation of Code section 423.6, an item exempt from the  
32 imposition of the sales tax is also exempt from the use tax  
33 imposed in Code section 423.5.