

Senate File 126 - Introduced

SENATE FILE 126

BY JOCHUM

A BILL FOR

1 An Act relating to the sales and use tax imposed on the
2 operation of bingo games.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 423.2, subsection 4, paragraph b, Code
2 2013, is amended to read as follows:

3 b. The tax imposed under this subsection covers the total
4 amount from the operation of games of skill, games of chance,
5 and raffles, and bingo games as defined in chapter 99B, card
6 game tournaments conducted under section 99B.7B, and musical
7 devices, weighing machines, shooting galleries, billiard and
8 pool tables, bowling alleys, pinball machines, slot-operated
9 devices selling merchandise not subject to the general sales
10 taxes, the total amount less amounts awarded as prizes from
11 the operation of bingo games as defined in chapter 99B, and
12 on the total amount from devices or systems where prizes
13 are in any manner awarded to patrons and upon the receipts
14 from fees charged for participation in any game or other
15 form of amusement, and generally upon the sales price from
16 any source of amusement operated for profit, not specified
17 in this section, and upon the sales price from which tax is
18 not collected for tickets or admission, but tax shall not be
19 imposed upon any activity exempt from sales tax under section
20 423.3, subsection 78. Every person receiving any sales price
21 from the sources described in this section is subject to all
22 provisions of this subchapter relating to retail sales tax and
23 other provisions of this chapter as applicable.

24 EXPLANATION

25 This bill provides that the sales and use tax imposed on the
26 operation of bingo games shall be on the gross amount less the
27 amounts awarded as prizes. Current law imposes the tax on the
28 gross amount derived from the bingo games.