

**Senate File 2356 - Introduced**

SENATE FILE 2356

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SF 2323)

**A BILL FOR**

1 An Act exempting from the state sales tax the purchase price of  
2 tangible personal property sold and services furnished to a  
3 nonprofit food bank.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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

3 NEW SUBSECTION. 101. The sales price from the sale or  
4 rental of tangible personal property, or services furnished,  
5 to a nonprofit food bank, which tangible personal property  
6 or services are to be used by the nonprofit food bank for a  
7 charitable purpose. For purposes of this subsection, "*nonprofit*  
8 *food bank*" means an organization organized under chapter 504  
9 and qualifying under section 501(c)(3) of the Internal Revenue  
10 Code as an organization exempt from federal income tax under  
11 section 501(a) of the Internal Revenue Code that maintains  
12 an established operation involving the provision of food or  
13 edible commodities or the products thereof on a regular basis  
14 to persons in need or to food pantries, soup kitchens, hunger  
15 relief centers, or other food or feeding centers that, as an  
16 integral part of their normal activities, provide meals or food  
17 on a regular basis to persons in need.

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 purchase price from  
22 the sale or rental of tangible personal property, or services  
23 furnished, to a nonprofit food bank if the property or services  
24 are to be used by the nonprofit food bank for a charitable  
25 purpose. "Nonprofit food bank" is defined in the bill.

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