

Senate File 444 - Introduced

SENATE FILE 444

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SSB 1241)

A BILL FOR

1 An Act providing a sales tax exemption for hydroelectricity
2 conversion property.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 423.3, subsection 54, Code 2013, is
2 amended to read as follows:

3 54. a. The sales price from the sale of wind energy
4 conversion property or hydroelectricity conversion property
5 to be used as an electric power source and the sale of the
6 materials used to manufacture, install, or construct wind
7 energy conversion property or hydroelectricity conversion
8 property used or to be used as an electric power source.

9 b. For purposes of this subsection, ~~“wind:~~

10 (1) “Wind energy conversion property” means any device,
11 including but not limited to a wind charger, windmill,
12 wind turbine, tower and electrical equipment, pad mount
13 transformers, power lines, and substation, which converts wind
14 energy to a form of usable energy.

15 (2) “Hydroelectricity conversion property” means any device,
16 including but not limited to a generator, turbine, powerhouse,
17 intake, coffer dam, walls, water conduit, tailrace, any other
18 concrete components, electrical equipment substation, poles,
19 wires, transformers, breakers, and switches used to convert
20 water, water power, or hydroelectricity to a form of usable
21 energy.

22 EXPLANATION

23 This bill exempts hydroelectricity conversion property from
24 sales tax.

25 Currently, Code section 423.3, subsection 54, provides
26 a sales tax exemption for the sales price of wind energy
27 conversion property to be used as an electric power source and
28 the sale of the materials used to manufacture, install, or
29 construct wind energy conversion property used or to be used
30 as an electric power source. The bill makes this provision
31 equally applicable to hydroelectricity conversion property, as
32 defined in the bill.

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