

**House File 484 - Introduced**

HOUSE FILE 484

BY KELLEY

**A BILL FOR**

1 An Act relating to a sales tax holiday for instructional  
2 materials sold to college students.

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

1 Section 1. Section 423.3, Code 2015, is amended by adding  
2 the following new subsection:

3 NEW SUBSECTION. 68A. a. The sales price of instructional  
4 materials sold to students for classroom use at a postsecondary  
5 educational institution, or for use in an extracurricular  
6 activity sponsored by the postsecondary educational  
7 institution, if all of the following apply:

8 (1) The sale is made to a person who is a student at a  
9 postsecondary educational institution in this state and who has  
10 verified that status to the retailer.

11 (2) The instructional materials have been uniquely  
12 identified and certified to a retailer by a postsecondary  
13 educational institution as required for classroom use or for  
14 use in a sponsored extracurricular activity.

15 (3) The sale takes place during one of the following:

16 (a) The period beginning at 12:01 a.m. on the third Monday  
17 in August and ending at midnight on the following Tuesday.

18 (b) The period beginning at 12:01 a.m. on the third Monday  
19 in January and ending at midnight on the following Tuesday.

20 b. For purposes of this subsection:

21 (1) "*Extracurricular activity*" includes a sporting event,  
22 musical or dramatic event, speech activity, or programs of a  
23 similar nature.

24 (2) "*Instructional materials*" means books, textbooks,  
25 printed materials, and equipment required for classroom use  
26 in attending a postsecondary educational institution in this  
27 state, or required for use in an extracurricular activity  
28 sponsored by a postsecondary educational institution in this  
29 state. "*Instructional materials*" does not include books,  
30 textbooks, printed materials, or equipment used in the teaching  
31 of religious tenets, doctrines, or worship, the purpose of  
32 which is to inculcate those tenets, doctrines, or worship.

33 (3) "*Postsecondary educational institution*" means an  
34 accredited higher education institution, as defined in  
35 section 261.92, an Iowa community college, or a postsecondary

1 educational institution under the control of the state board  
2 of regents.

3 c. The department shall adopt rules pursuant to chapter 17A  
4 to administer this section, including but not limited to rules  
5 to establish the manner by which a person shall verify to a  
6 retailer the person's status as a student, and the manner by  
7 which a postsecondary educational institution shall identify  
8 and certify required instructional materials to a retailer.

9

EXPLANATION

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

12 This bill provides a sales tax exemption for a limited  
13 time period for the sales price of instructional materials to  
14 students at postsecondary educational institutions in this  
15 state if the instructional materials are required for classroom  
16 use or for use in an extracurricular activity sponsored by  
17 the postsecondary educational institution. The exemption is  
18 available to sales in which the student verifies his or her  
19 status as a student to the retailer, the items being sold  
20 have been uniquely identified and certified to the retailer  
21 as required for classroom use or for use in a sponsored  
22 extracurricular activity, and the sale takes place during the  
23 calendar day on the third Monday in January or August.

24 "Extracurricular activity", "instructional materials", and  
25 "postsecondary educational institution" are all defined in the  
26 bill.

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.