

Senate File 194 - Introduced

SENATE FILE 194
BY JOHNSON

A BILL FOR

1 An Act striking certain statutory repeal provisions relating
2 to the state sales and use tax and the secure an advanced
3 vision for education fund.

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

1 Section 1. Section 423.2, subsection 11, paragraph b,
2 subparagraph (3), Code 2015, is amended to read as follows:

3 (3) Transfer one-sixth of the remaining revenues to the
4 secure an advanced vision for education fund created in section
5 423F.2. ~~This subparagraph (3) is repealed December 31, 2029.~~

6 Sec. 2. Section 423.2, subsection 13, Code 2015, is amended
7 by striking the subsection.

8 Sec. 3. Section 423.5, subsection 5, Code 2015, is amended
9 by striking the subsection.

10 Sec. 4. Section 423.43, subsection 1, paragraph b, Code
11 2015, is amended to read as follows:

12 b. Subsequent to the deposit into the general fund of
13 the state and after the transfer of such revenues collected
14 under chapter 423B, the department shall transfer one-sixth of
15 such remaining revenues to the secure an advanced vision for
16 education fund created in section 423F.2. ~~This paragraph is
17 repealed December 31, 2029.~~

18 Sec. 5. REPEAL. Section 423F.6, Code 2015, is repealed.

19

EXPLANATION

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

22 Code section 423.2 imposes a state sales tax of 6 percent
23 upon the sales price of all sales of tangible personal
24 property, consisting of goods, wares, merchandise, and other
25 items designated by statute, sold at retail in the state to
26 consumers, except as otherwise provided by Code chapter 423.
27 Generally, by operation of law, a sale subject to the sales
28 tax is also subject to the use tax. Following the transfer
29 of amounts required by statute, one-sixth of the remaining
30 state sales tax revenue from the 6 percent tax is transferred
31 to the secure an advanced vision for education (SAVE) fund
32 created in Code section 423F.2. Moneys in the SAVE fund are
33 allocated to school districts on a per pupil basis to be
34 used for infrastructure and property tax reduction purposes
35 specified in Code chapter 423F. Under current law, the sales

1 and use tax rate of 6 percent is reduced to 5 percent on January
2 1, 2030, and Code chapter 423F, along with other corresponding
3 provisions, is repealed December 31, 2029.

4 This bill repeals Code section 423F.6, which currently
5 provides for the repeal of Code chapter 423F on December 31,
6 2029. The bill also strikes corresponding repeal provisions
7 relating to the allocation of sales tax revenue and provisions
8 that reduce the state sales and use tax rate from 6 percent to 5
9 percent beginning January 1, 2030.