

Senate File 2310 - Introduced

SENATE FILE 2310

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SSB 3178)

A BILL FOR

1 An Act modifying the rebate of sales and use tax to the owner or
2 operator of a raceway facility.

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

1 Section 1. Section 423.4, subsection 11, paragraph c,
2 subparagraph (4), subparagraph division (a), Code 2016, is
3 amended to read as follows:

4 (a) ~~Twenty-five percent of the~~ The total project costs, as
5 determined by the department, if such a project is undertaken
6 by the owner or operator. For purposes of this subparagraph
7 division, "project costs" means costs incurred by the owner or
8 operator in connection with the planning, design, construction,
9 and installation of property that becomes an integral part
10 of the project under contract which project upon completion
11 becomes part of the raceway facility, and other costs incurred
12 by the owner or operator in connection with the project that
13 are customarily associated with the renovation, remodeling,
14 reconstruction, expansion, equipping, or improvement of
15 real property. Project costs shall be determined after the
16 department receives notification of completion of the project
17 pursuant to paragraph "b", subparagraph (2), subparagraph
18 division (b). However, if rebates cease because of a change of
19 control of the raceway facility as provided in paragraph "c",
20 subparagraph (5), project costs shall be determined as of the
21 date the change of control occurs.

22 EXPLANATION

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

25 This bill modifies the rebate of sales and use tax to
26 the owner or operator of a raceway facility. The rebate
27 is available for sales tax collected on purchases made at
28 the raceway facility, and for sales and use tax paid by a
29 contractor in completion of a project at the raceway facility,
30 provided the sales tax was collected or paid between January 1,
31 2015, and January 1, 2025. Under current law, the total rebate
32 is limited to the lesser of \$2 million or 25 percent of the
33 project costs, if such a project is undertaken at the raceway
34 facility. The bill amends this cap to provide that the total
35 rebate is limited to the lesser of \$2 million or the total

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1 project costs, if such a project is undertaken at the raceway
2 facility.