

House Study Bill 683 - Introduced

HOUSE FILE _____

BY (PROPOSED COMMITTEE ON
WAYS AND MEANS BILL BY
CHAIRPERSON VANDER LINDEN)

A BILL FOR

1 An Act excluding entities under the control of an institution
2 of higher learning governed by the state board of regents
3 from the sales tax exemption for sales where the profits
4 are used by or donated to certain nonprofit entities for
5 educational, religious, or charitable purposes.
6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 423.3, subsection 78, Code 2018, is
2 amended by adding the following new paragraph:

3 NEW PARAGRAPH. *d.* This exemption does not apply to the
4 sales price from the sale of tangible personal property or
5 services the profits from which are used by or donated to an
6 entity under the control of an institution of higher learning
7 governed by the state board of regents.

8 EXPLANATION

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

11 Under current law, Code section 423.3(78) provides a
12 sales tax exemption for sales of tangible personal property
13 or services by any entity where the profits from the sale
14 are used by or donated to a tax-exempt Internal Revenue Code
15 §501(c)(3) nonprofit organization, to a government entity, or
16 to a nonprofit private educational institution, and expended
17 for educational, religious, or charitable purposes.

18 This bill provides that the exemption in Code section
19 423.3(78) does not apply to sales for which the profits
20 are used by or donated to an entity under the control of an
21 institution of higher learning governed by the state board of
22 regents.