

**Senate File 127 - Introduced**

SENATE FILE 127

BY SINCLAIR and ROZENBOOM

**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 2017, 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.