

House File 416 - Introduced

HOUSE FILE 416

BY OLSON

A BILL FOR

1 An Act exempting from the sales and use tax the sale or rental
2 price of gardening materials and supplies used in an urban
3 area.

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

1 Section 1. Section 423.3, Code 2019, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 107. The sales price from the sale or
4 rental of gardening supplies, implements, or seeds when used
5 for the cultivation of food in an urban area. For purposes of
6 this subsection, "urban area" means the area within the city
7 limits of a city.

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 This bill exempts from the sales tax the purchase price from
12 the sale or rental of garden supplies, implements, or seeds
13 when used for the cultivation of food in an urban area. The
14 bill defines "urban area" to mean the area within the city
15 limits of a city.

16 By operation of Code section 423.6, an item exempt from
17 imposition of the sales tax is also exempt from the use tax
18 imposed in Code section 423.5.