

**House File 42 - Introduced**

HOUSE FILE 42

BY SALMON

**A BILL FOR**

1 An Act exempting from the sales tax certain items and services  
2 sold to a nonprofit human blood collection and processing  
3 establishment.

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. 44. The sales price of chemicals, solvents,  
4 sorbents, or reagents sold, or test laboratory services  
5 furnished, to a nonprofit human blood collection and processing  
6 establishment that meets the definition of establishment in 21  
7 C.F.R. §607.3(c).

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 sales price of  
12 chemicals, solvents, sorbents, or reagents sold, or test  
13 laboratory services furnished, to a nonprofit human blood  
14 collection and processing establishment that meets the  
15 definition of establishment in 21 C.F.R. §607.3(c). That  
16 federal regulation defines "establishment" to mean a place of  
17 business under one management at one general physical location.  
18 The term includes, among others, human blood and plasma donor  
19 centers, blood banks, transfusion services, other blood product  
20 manufacturers, and independent laboratories that engage in  
21 quality control and testing for registered blood product  
22 establishments.

23 By operation of Code section 423.6, an item exempt from the  
24 imposition of the sales tax is also exempt from the use tax  
25 imposed in Code section 423.5.