

**Senate File 597 - Introduced**

SENATE FILE 597

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SSB 1114)

**A BILL FOR**

1 An Act exempting from the sales tax certain items and services  
2 sold or furnished to nonprofit blood centers, including  
3 effective date and retroactive applicability provisions.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 423.3, subsection 26A, Code 2019, is  
2 amended by striking the subsection and inserting in lieu  
3 thereof the following:

4 26A. a. The sales price of tangible personal property sold  
5 or of test laboratory services furnished, if such tangible  
6 personal property or test laboratory services are sold or  
7 furnished to a nonprofit blood center that is registered by the  
8 federal food and drug administration, and the tangible personal  
9 property or test laboratory services are directly and primarily  
10 used in the processing of human blood.

11 b. As used in this subsection, "*processing*" means the  
12 same as defined in section 423.3, subsection 47, except that  
13 for purposes of the definition of "*processing*" used in this  
14 subsection, a "*manufacturer*" shall be construed to include a  
15 nonprofit blood center.

16 Sec. 2. Section 423.3, subsection 104, paragraph b,  
17 subparagraph (1), Code 2019, is amended to read as follows:

18 (1) "*Commercial enterprise*" means the same as defined in  
19 section 423.3, subsection 47, paragraph "d", subparagraph (1),  
20 but also includes nonprofit blood centers, professions, and  
21 occupations.

22 Sec. 3. REFUNDS. Refunds of taxes, interest, or penalties  
23 that arise from claims resulting from the enactment of  
24 this Act, for sales occurring between May 30, 2018, and the  
25 effective date of this Act, shall not be allowed unless refund  
26 claims are filed prior to October 1, 2019, notwithstanding any  
27 other provision of law to the contrary.

28 Sec. 4. EFFECTIVE DATE. This Act, being deemed of immediate  
29 importance, takes effect upon enactment.

30 Sec. 5. RETROACTIVE APPLICABILITY. This Act applies  
31 retroactively to May 30, 2018.

32 EXPLANATION

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

35 This bill relates to exempting from the sales tax certain

1 items and services sold or furnished to a nonprofit blood  
2 center.

3 The bill amends Code section 423.3(26A) by exempting from  
4 the sales tax the sales price of tangible personal property  
5 sold or test laboratory services furnished, if such tangible  
6 personal property or test laboratory services are sold or  
7 furnished to a nonprofit blood center that is registered by the  
8 federal food and drug administration, and the tangible personal  
9 property or test laboratory services are directly and primarily  
10 used in the processing of human blood.

11 The bill expands the definition of "commercial enterprise"  
12 in Code section 423.3(104) to include a nonprofit blood center.  
13 As a result, the sales price of specified digital products,  
14 prewritten computer software, and other enumerated digital and  
15 computer services furnished to a nonprofit blood center are  
16 exempt from the sales tax, if exclusively used by the blood  
17 center.

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

21 The bill permits refunds of taxes, interest, or penalties  
22 arising from claims resulting from the enactment of the bill  
23 for sales occurring between May 30, 2018, and the effective  
24 date of the bill, and requires such claims to be filed prior to  
25 October 1, 2019.

26 The bill takes effect upon enactment and applies  
27 retroactively to May 30, 2018.