

Senate Study Bill 1114 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
WAYS AND MEANS BILL BY
CHAIRPERSON FEENSTRA)

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 to read as follows:

3 26A. The sales price of ~~reagents and related accessory~~
4 ~~equipment to a regional blood testing facility if all of the~~
5 ~~following conditions are met:~~

6 ~~a. The regional blood testing facility~~ tangible personal
7 property directly and primarily used in the processes of
8 testing blood, collecting blood donations, or producing blood
9 products sold to a nonprofit blood center that is registered by
10 the federal food and drug administration.

11 ~~b. The regional blood testing facility performs donor~~
12 ~~testing for other blood centers.~~

13 ~~c. The regional blood testing facility is located in this~~
14 ~~state on or before January 1, 2011.~~

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

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

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

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

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

31 EXPLANATION

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

34 This bill relates to exempting from the sales tax certain
35 items and services sold or furnished to a nonprofit blood

1 center.

2 The bill amends Code section 423.3(26A) by exempting from
3 the sales tax the sales price of tangible personal property
4 directly and primarily used in the processes of testing blood,
5 collecting blood donations, or producing blood products sold
6 to a nonprofit blood center that is registered by the federal
7 food and drug administration. The bill strikes a provision
8 exempting the sales price of reagents and related accessory
9 equipment to a regional blood testing facility if certain
10 conditions are met.

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.