

Senate Study Bill 1254 - Introduced

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

A BILL FOR

1 An Act exempting from the state sales tax and use tax the
2 purchase price of tangible personal property sold and
3 services furnished to a nonprofit food bank.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 423.3, Code 2021, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 107. The sales price of the sale or
4 rental of tangible personal property sold to and of services
5 furnished to a nonprofit food bank, if the property or
6 services are used by the nonprofit food bank for a charitable
7 purpose. For purposes of this subsection, "*nonprofit food*
8 *bank*" means an organization organized under chapter 504 and
9 qualifying under section 501(c)(3) of the Internal Revenue
10 Code as an organization exempt from federal income tax under
11 section 501(a) of the Internal Revenue Code that maintains
12 an established operation involving the provision of food or
13 edible commodities or the products thereof on a regular basis
14 to persons in need or to food pantries, soup kitchens, hunger
15 relief centers, or other food or feeding centers that, as an
16 integral part of their normal activities, provide meals or food
17 on a regular basis to persons in need.

18 EXPLANATION

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

21 This bill exempts from the sales tax the purchase price of
22 the sale or rental of tangible personal property sold to and of
23 services furnished to a nonprofit food bank if the property or
24 services are used by the nonprofit food bank for a charitable
25 purpose. "Nonprofit food bank" is defined in the bill.

26 By operation of Code section 423.6, an item exempt from the
27 imposition of the sales tax is also exempt from the use tax
28 imposed in Code section 423.5.