

**House Study Bill 734 - Introduced**

HOUSE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
WAYS AND MEANS BILL BY  
CHAIRPERSON KAUFMANN)

**A BILL FOR**

1 An Act repealing the excise tax on the handling of grain.  
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 445.3, subsection 2, Code 2024, is  
2 amended to read as follows:

3 2. a. The commencement of actions for ad valorem taxes  
4 authorized under this section shall not begin until the  
5 issuance of a tax sale certificate under the requirements of  
6 section 446.19. The commencement of actions for all other  
7 taxes authorized under this section shall not begin until ten  
8 days after the publication of tax sale under the requirements  
9 of section 446.9, subsection 2.

10 b. This subsection does not apply to the collection of ad  
11 valorem taxes under section 445.32, ~~and grain handling taxes~~  
12 ~~under section 428.35.~~

13 Sec. 2. REPEAL. Section 428.35, Code 2024, is repealed.

14 Sec. 3. IMPLEMENTATION. Section 25B.7 shall not apply to  
15 the property tax exemption enacted in this Act.

16 EXPLANATION

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

19 This bill repeals the grain handling excise tax of  
20 one-fourth mill per bushel upon all grain handled. For  
21 purposes of the tax, "handling or handled" means the receiving  
22 of grain at or in each elevator, warehouse, mill, processing  
23 plant, or other facility in this state in which it is received  
24 for storage, accumulation, sale, processing, or any other  
25 purpose. In addition, "grain" means wheat, corn, barley,  
26 oats, rye, flaxseed, field peas, soybeans, grain sorghums,  
27 spelts, and such other products as are usually stored in grain  
28 elevators other than seeds after being processed. The excise  
29 tax is entered on the tax list of the taxing district and  
30 revenue collected from the excise tax is distributed to the  
31 various taxing authorities (taxing units) within the taxing  
32 district in the same manner as general property taxes.

33 The bill makes inapplicable Code section 25B.7. Code  
34 section 25B.7 provides that for a property tax credit or  
35 exemption enacted on or after January 1, 1997, if a state

H.F. \_\_\_\_\_

1 appropriation made to fund the credit or exemption is not  
2 sufficient to fully fund the credit or exemption, the political  
3 subdivision shall be required to extend to the taxpayer only  
4 that portion of the credit or exemption estimated by the  
5 department of revenue to be funded by the state appropriation.