

Senate File 146 - Introduced

SENATE FILE 146

BY SINCLAIR

A BILL FOR

1 An Act establishing a fair as a designated exempt entity and
2 allowing for refunds of state sales tax in the performance
3 of certain written contracts and including effective date
4 and retroactive applicability provisions.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 423.4, subsection 1, paragraph a, Code
2 2023, is amended by adding the following new subparagraph:
3 NEW SUBPARAGRAPH. (10) A fair as defined in section 174.1.
4 Sec. 2. REFUNDS. Refunds of taxes, interest, or penalties
5 which arise from claims resulting from the enactment of section
6 423.4, subsection 1, paragraph "a", subparagraph (10), in this
7 Act, occurring between January 1, 2021, and the effective date
8 of this Act shall be limited to twenty-five thousand dollars in
9 the aggregate, and shall not be allowed unless refund claims
10 are filed by October 1, 2023, notwithstanding any other law to
11 the contrary. If the amount of the claims totals more than
12 twenty-five thousand dollars in the aggregate, the department
13 of revenue shall prorate the twenty-five thousand dollars
14 in the aggregate among all the claimants in relation to the
15 amounts of the claimants' valid claims.

16 Sec. 3. EFFECTIVE DATE. This Act, being deemed of immediate
17 importance, takes effect upon enactment.

18 Sec. 4. RETROACTIVE APPLICABILITY. This Act applies
19 retroactively to January 1, 2021.

20 EXPLANATION

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

23 Currently, a "designated exempt entity" may apply to the
24 department of revenue, under certain circumstances, for the
25 refund of sales or use tax upon the sales price of all sales
26 of building materials, supplies, equipment, or from services
27 furnished to a contractor, used in the performance of a written
28 contract with the designated exempt entity.

29 This bill also makes a county or district fair a designated
30 exempt entity. This provision takes effect upon enactment and
31 applies retroactively to January 1, 2021. The bill allows for
32 refunds of taxes, interest, or penalties arising from claims
33 resulting from the enactment of the bill. The bill limits the
34 refund amount to \$25,000 in the aggregate.