

Senate File 6 - Introduced

SENATE FILE 6

BY LOFGREN

A BILL FOR

1 An Act exempting from the sales tax and the use tax certain
2 building materials, supplies, goods, wares, merchandise, or
3 specified digital products sold, or services furnished, to
4 a nonprofit whose primary activity is the construction of
5 low-cost homes by incarcerated individuals, and providing
6 for an effective date.

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

1 Section 1. Section 423.3, Code 2023, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 110. The sales price from the sale of
4 building materials, supplies, goods, wares, merchandise,
5 or specified digital products sold, or services furnished,
6 to a nonprofit organization whose primary activity is the
7 construction of new, low-cost homes by incarcerated individuals
8 for use by qualified persons in areas of the state in need of
9 housing and where the building materials, supplies, goods,
10 wares, merchandise, specified digital products, or services,
11 are used in the construction of such homes.

12 Sec. 2. EFFECTIVE DATE. This Act, being deemed of immediate
13 importance, takes effect upon enactment.

14 EXPLANATION

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

17 This bill exempts from the sales tax certain building
18 materials, supplies, goods, wares, merchandise, or specified
19 digital products sold, or services furnished, to a nonprofit
20 organization whose primary activity is the construction of new,
21 low-cost homes by incarcerated individuals for use by qualified
22 persons in areas of the state in need of housing. The bill
23 requires the building materials, supplies, good, wares,
24 merchandise, specified digital products, or services exempt
25 from sales tax to be used in the construction of new homes.

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.

29 The bill takes effect upon enactment.