

House Study Bill 236 - Introduced

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

A BILL FOR

- 1 An Act relating to the sales tax imposed on amusement devices.
- 2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 423.2, subsection 4, Code 2025, is amended
2 to read as follows:

3 4. a. A tax of six percent is imposed upon the sales price,
4 less prizes actually paid, derived from the operation of all
5 forms of amusement devices and upon the sales price derived
6 from the operation of all games of skill, games of chance,
7 raffles, and bingo games as defined in chapter 99B, and card game
8 tournaments conducted under section 99B.27, that are operated or
9 conducted within the state, the tax to be collected from the
10 operator in the same manner as for the collection of taxes upon
11 the sales price of tickets or admission as provided in this
12 section. Nothing in this subsection shall legalize any games of
13 skill or chance or slot-operated devices which are now prohibited
14 by law.

15 b. The Except as provided in paragraph "a", the tax imposed
16 under this subsection covers the total amount from the operation
17 of games of skill, games of chance, raffles, and bingo games as
18 defined in chapter 99B, card game tournaments conducted under
19 section 99B.27, and musical devices, weighing machines, shooting
20 galleries, billiard and pool tables, bowling alleys, pinball
21 machines, slot-operated devices selling merchandise not subject
22 to the general sales taxes and on the total amount from devices
23 or systems where prizes are in any manner awarded to patrons and
24 upon the receipts from fees charged for participation in any game
25 or other form of amusement, and generally upon the sales price
26 from any source of amusement operated for profit, not specified
27 in this section, and upon the sales price from which tax is not
28 collected for tickets or admission, but tax shall not be imposed
29 upon any activity exempt from sales tax under section 423.3,
30 subsection 78. Every person receiving any sales price from the
31 sources described in this section is subject to all provisions of
32 this subchapter relating to retail sales tax and other provisions
33 of this chapter as applicable.

34 EXPLANATION

35 The inclusion of this explanation does not constitute agreement with

1 the explanation's substance by the members of the general assembly.

2 This bill provides a sales tax exemption on the sales price
3 from the operation of amusement devices, to the extent the amount
4 of the sales price represents amounts that will be awarded as
5 prizes during the operation of such devices.

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