

House Study Bill 767 - Introduced

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

A BILL FOR

1 An Act creating sales and use tax exemptions relating
2 to commencing or restarting nuclear electric generation
3 facilities, and including retroactive applicability
4 provisions.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 423.3, Code 2026, is amended by adding the
2 following new subsection:

3 NEW SUBSECTION. 111. a. The sales price of tangible
4 personal property or specified digital products sold or services
5 furnished before, during, or after the site preparation,
6 construction, reconstruction, replacement, alteration, repair,
7 safe storage, maintenance, or restarting after decommissioning of
8 a nuclear electric generation facility.

9 b. This exemption does not apply to the following:

10 (1) Motor vehicles subject to registration under chapter 321.

11 (2) Tangible personal property or specified digital products
12 sold, or services furnished where the purchasing agent of
13 the nuclear electric generation facility fails to provide the
14 retailer with an exemption certificate.

15 (3) Tangible personal property or specified digital products
16 sold, or services furnished prior to January 1, 2025.

17 c. This subsection shall not be construed to limit any other
18 exemptions applicable under this chapter.

19 d. The department shall issue guidance within ninety days of
20 the effective date of this Act regarding acceptable documentation
21 for exemption qualification and exemption certificate procedures.

22 e. The department may adopt rules pursuant to chapter 17A to
23 administer this subsection.

24 f. For purposes of this subsection, "*nuclear electric*
25 *generation facility*" means a facility commencing or restarting
26 commercial operations on or after January 1, 2028, that is
27 located in this state, uses nuclear fission, fusion, or other
28 nuclear processes to generate electricity for sale or for use
29 in the transmission or distribution grid and is licensed by
30 the federal nuclear regulatory commission. A "*nuclear electric*
31 *generation facility*" includes facilities undergoing restart after
32 a decommissioning period and facilities in advanced stages of
33 development or obtaining federal licensing from the United States
34 nuclear regulatory commission. A "*nuclear electric generation*
35 *facility*" includes all of the following:

1 (1) Nuclear reactors, reactor fuel cores, reactor vessels,
2 steam generators, heat exchangers, turbine systems, control
3 rods, instrumentation, cooling systems, fuel handling and storage
4 systems, radiation shielding, radiation sources and other primary
5 nuclear generation components, and spent fuel storage.

6 (2) Structures and buildings housing nuclear generation
7 systems, including containment buildings, auxiliary buildings,
8 cooling towers, water intake or discharge structures, and on-site
9 storage facilities directly related to nuclear operations.

10 (3) Electrical generation and transformation equipment,
11 including turbines, generators, switchgear, transformers,
12 inverters, transmission structures, conductors, substations, and
13 associated power conditioning and control equipment.

14 (4) Equipment and systems used for safety, security,
15 radiation monitoring, emergency power, operator training,
16 maintenance training, safety-related equipment storage, and
17 warehousing.

18 (5) Environmental protection required for operation of the
19 facility.

20 (6) System materials, components, equipment, storage,
21 structures, and buildings associated with integrated systems that
22 enhance the flexibility of the system in delivering energy to the
23 electrical grid, including but not limited to the following:

24 (a) Systems that store and utilize thermal energy or
25 electrical energy from the nuclear electric generating facility
26 prior to delivering energy to the grid.

27 (b) Energy storage systems that utilize a transmission system
28 interconnection to the same physical substation as the nuclear
29 electric generating facility.

30 (7) Materials, supplies, and components permanently
31 incorporated into or consumed in the construction, repair, or
32 maintenance of a nuclear electric generation facility.

33 (8) Digital control systems, software, cybersecurity,
34 infrastructure, and physical security systems and equipment used
35 in the safe and compliant operation of the nuclear electric

1 generation facility.

2 (9) Equipment, materials, systems, and services required to
3 restart operations at a previously operational nuclear electric
4 generation facility that has ceased commercial operation,
5 including but not limited to refurbishment, modernization,
6 regulatory compliance upgrades, and relicensing activities.

7 Sec. 2. RETROACTIVE APPLICABILITY. This Act applies
8 retroactively to January 1, 2025, for qualifying tangible
9 personal property or specified digital products sold, or services
10 furnished on or after that date.

11 EXPLANATION

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

14 This bill creates sales and use tax exemptions relating to
15 commencing or restarting nuclear electric generation facilities.

16 The bill exempts tangible personal property or specified
17 digital products sold and services furnished are exempted from
18 the state sales and use tax (exemption) before, during, or after
19 the site preparation, construction, reconstruction, replacement,
20 alteration, repair, safe storage, maintenance, or the restarting
21 after decommissioning of a nuclear electric generation facility.

22 The bill defines "nuclear electric generation facility"
23 (facility) to mean a facility commencing or restarting on
24 or after January 1, 2028, that is located in this state,
25 uses nuclear fission, fusion, or other nuclear processes to
26 generate electricity for sale or for use in the transmission
27 or distribution grid and is licensed by the federal nuclear
28 regulatory commission.

29 The exemption does not apply to the following: (1)
30 motor vehicles registered under Code chapter 321, (2) tangible
31 personal property or specified digital products sold, or
32 services furnished, without the facility providing its exemption
33 certificate, and (3) tangible personal property or specified
34 digital products sold, or services furnished, prior to January 1,
35 2025.

1 The definition of facility in the bill is comprehensive
2 and includes but is not limited to nuclear reactors,
3 storage facilities, equipment, electrical generation, and other
4 structures.

5 The bill requires the department of revenue to issue guidance
6 about acceptable documentation required to obtain the exemption
7 and exemption certificate procedures. The bill also specifies
8 the department of revenue may adopt rules to administer the bill.

9 The bill applies retroactively to January 1, 2025, for
10 qualifying tangible personal property or specified digital
11 products sold, or services furnished on or after that date.

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