

**House Study Bill 96 - Introduced**

HOUSE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
LOCAL GOVERNMENT BILL BY  
CHAIRPERSON JONES)

**A BILL FOR**

1 An Act relating to permissible local sales and services tax  
2 expenditures.

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

unofficial

1 Section 1. Section 423B.7, subsection 7, paragraph a, Code  
2 2025, is amended to read as follows:

3 a. Subject to the requirement of paragraph "b", local sales  
4 and services tax moneys received by a city or county may  
5 be expended for any lawful purpose of the city or county,  
6 including but not limited to expenses related to providing  
7 emergency medical services within the applicable city or county  
8 and payments to a nonprofit entity exempt from federal income tax  
9 pursuant to section 501(c)(3) of the Internal Revenue Code that  
10 provides public services in the applicable city or county.

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 specifies that local sales and services tax moneys  
15 received by a city or county may be expended to a nonprofit  
16 entity exempt from income tax under section 501(c)(3) of the  
17 Internal Revenue Code that is providing public services in the  
18 applicable city or county.