

House File 2486 - Reprinted

HOUSE FILE 2486

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HSB 683)

(As Amended and Passed by the House May 2, 2018)

A BILL FOR

1 An Act relating to postsecondary institutions by exempting from
2 the sales tax the sale of instructional materials required
3 for use in a course of instruction at a postsecondary
4 institution in this state and by excluding postsecondary
5 institutions from the sales tax exemption for sales where
6 the profits are used by or donated to certain nonprofit
7 entities for educational, religious, or charitable purposes.
8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 423.3, subsection 78, Code 2018, is
2 amended by adding the following new paragraph:

3 NEW PARAGRAPH. *d.* This exemption does not apply to the
4 sales price from the sale of tangible personal property or
5 services the profits from which are used by or donated to a
6 postsecondary institution or an entity under the control of a
7 postsecondary institution. For purposes of this paragraph,
8 "*postsecondary institution*" means the same as defined in
9 subsection 103.

10 Sec. 2. Section 423.3, Code 2018, is amended by adding the
11 following new subsection:

12 NEW SUBSECTION. 103. *a.* The sales price from the sale of
13 instructional materials required for a course of instruction
14 at a postsecondary institution in this state, when purchased
15 for use by a student enrolled in such course of instruction at
16 the postsecondary institution.

17 *b.* For purposes of this subsection:

18 (1) "*Instructional materials*" means books, textbooks,
19 and other written course materials, whether in printed or
20 electronic form, and classroom equipment.

21 (2) "*Postsecondary institution*" means an institution
22 of higher learning under the control of the state board of
23 regents, a community college established under chapter 260C, or
24 an accredited private institution as defined in section 261.9.

25 (3) "*Required for a course of instruction*" means integral to
26 completion of a course of instruction and uniquely identified
27 by a postsecondary institution as required for such course.
28 Instructional materials that primarily enhance or assist in the
29 facilitation of learning shall not be considered to be "*required*
30 *for a course of instruction*".