

AN ACT

1 4 RELATING TO SALES AND USE TAX CHANGES, EXCISE TAXES ON RENTAL
1 5 OF ROOMS AND SLEEPING QUARTERS, AND THE SALE AND USE OF
1 6 CONSTRUCTION EQUIPMENT, AND RELATING TO THE POLICY AND
1 7 ADMINISTRATION OF OTHER TAXES AND TAX-RELATED MATTERS, AND
1 8 INCLUDING EFFECTIVE AND RETROACTIVE APPLICABILITY DATE
1 9 PROVISIONS.

Sec. 47. Section 423.5, Code 2005, is amended by adding

31 18 the following new subsection:

31 19 NEW SUBSECTION. 8. Any person or that person's affiliate,
31 20 which is a retailer in this state or a retailer maintaining a
31 21 business in this state under this chapter, that enters into a
31 22 contract with an agency of this state must register, collect,
31 23 and remit Iowa use tax under this chapter on all sales of
31 24 tangible personal property and enumerated services. Every bid
31 25 submitted and each contract executed by a state agency shall
31 26 contain a certification by the bidder or contractor stating
31 27 that the bidder or contractor is registered with the
31 28 department and will collect and remit Iowa use tax due under
31 29 this chapter. In the certification, the bidder or contractor
31 30 shall also acknowledge that the state agency may declare the
31 31 contract or bid void if the certification is false.
31 32 Fraudulent certification, by act or omission, may result in
31 33 the state agency or its representative filing for damages for
31 34 breach of contract.
31 35 For the purposes of this subsection, "affiliate", "state
32 1 agency", and "voting security" mean the same as defined in
32 2 section 423.2, subsection 9A.

Bill was signed by Governor, June 3, 2005, and Section 47 is effective July 1, 2005.