

CHAPTER 106
TRANSIT SYSTEMS

H. F. 385

AN ACT to provide that Iowa urban transit systems be exempted from the tax imposed on motor fuel and special fuels and making the Act retroactive.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section three hundred twenty-four point three (324.3), Code 1977, is amended by adding the following new subsection:

NEW SUBSECTION. Motor fuel used in the operation of an Iowa urban transit system. Any fuel sold to an Iowa urban transit system which is used for any purpose other than as specified in section three (3) of this Act shall not be exempt from the tax.

Sec. 2. Section three hundred twenty-four point thirty-five (324.35), Code 1977, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. No tax is imposed under this division on special fuel used in the operation of an Iowa urban transit system, except that any special fuel sold to an Iowa urban transit system which is used for any purpose other than as specified in section three (3) of this Act shall not be exempt from the tax.

Sec. 3. Section three hundred twenty-four point fifty-seven (324.57), Code 1977, is amended by adding the following new subsection:

NEW SUBSECTION. An "Iowa urban transit system" is a system whereby motor buses are operated primarily upon the streets of cities for the transportation of passengers for an established fare and which accepts passengers who present themselves for transportation without discrimination up to the limit of the capacity of each motor bus. Privately-chartered bus services, motor carriers and interurban carriers subject to the jurisdiction of the Iowa department of transportation, school bus services and taxicabs shall not be construed to be an urban transit system nor a part of any such system.

Sec. 4. The provisions of this Act are retroactive to July 1, 1975 for motor fuel and special fuel purchased by an Iowa urban transit system and to this extent the provisions of this Act are retroactive.

Approved July 11, 1977