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[HF 2628](#) – Sales Tax Exemption for Nonprofit Blood Centers (LSB2505HZ)  
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Fiscal Note Version – New

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**Description**

[House File 2628](#) expands the current sales and use tax exemption allowed for nonprofit blood centers to exempt any tangible personal property or specified digital products sold and any services furnished to a blood collection and processing establishment.

A blood collection and processing establishment is defined as a place of business under one management at one general physical location and includes human blood and plasma donor centers, blood banks, transfusion services, and other blood product manufacturers and independent laboratories that engage in quality control and testing for registered blood product establishments.

**Background**

2019 Iowa Acts, chapter [141](#), provided a narrower exemption for nonprofit blood centers. Under current law, tangible personal property sold or test laboratory services furnished that are directly and primarily involved in the processing of human blood are exempt from sales tax for nonprofit blood centers in Iowa that are Food and Drug Administration (FDA)-registered. According to the [Fiscal Note](#) on 2019 Iowa Acts, chapter 141, there are two nonprofit blood centers affected by the current sales tax exemption.

**Assumptions**

- The same nonprofit blood centers currently exempt will be exempt from sales tax on all tangible personal property sold, specified digital products sold, and services furnished under the Bill.
- According to the Department of Revenue and utilizing Internal Revenue Service (IRS) 990 reports for calendar year 2019, an estimated \$2.9 million in additional purchases would have been exempt under the Bill in FY 2020.
- Growth trends are based on the Consumer Price Index (CPI-U) less food and energy average estimated increases of 2.0% from FY 2025 to FY 2029.
- Secure an Advanced Vision for Education (SAVE) refunds are 1.0% of taxable sales. Local option sales tax (LOST) distributions are estimated to be 0.97% of taxable sales.

**Fiscal Impact**

House File 2628 is estimated to reduce revenues to the General Fund, SAVE Fund, and LOST by the estimated amounts in **Figure 1**.

**Figure 1 — Fiscal Impact of HF 2628 (in Millions)**

	<b>General Fund</b>	<b>SAVE</b>	<b>LOST</b>
FY 2025	\$ -0.18	\$ -0.04	\$ -0.03
FY 2026	-0.18	-0.04	-0.04
FY 2027	-0.19	-0.04	-0.04
FY 2028	-0.19	-0.04	-0.04
FY 2029	-0.20	-0.04	-0.04

**Sources**

Iowa Department of Revenue  
Internal Revenue Service 990 filings

/s/ Jennifer Acton

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The fiscal note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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