

January 10, 1951.  
Passed on File.

**Senate File 21**  
By HATTERY, DYKHOUSE.

Passed Senate, Date.....  
Vote: Ayes..... Nays.....  
Passed House, Date .....  
Vote: Ayes..... Nays.....  
Approved .....

# A BILL FOR

An Act relating to the payment of sales and use tax by tax certifying or levying bodies and to repeal certain sections of chapter four hundred twenty-two (422) of the Code relating thereto and enact substitutes therefor.

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

1 Section 1. Section four hundred twenty-two point forty-  
2 seven (422.47), Code 1950, is amended by striking therefrom  
3 all of subsections four (4) to seven (7) inclusive.

1 Sec. 2. Section four hundred twenty-two point forty-  
2 five (422.45), Code 1950, is amended by adding the following  
3 new subsections:

4 6. The gross receipts of all sales of goods, wares,  
5 or merchandise used for public purposes to any tax certifying  
6 or tax levying body of the State of Iowa or governmental  
7 subdivision thereof, except sales of goods, wares, or  
8 merchandise used by or in connection with a municipally owned  
9 public utility engaged in selling gas, electricity, or heat  
10 to the public generally.

11 The exemption provided by this subsection shall  
12 also apply to all sales of goods, wares, or merchandise used

13 for public purposes to any tax levying or tax certifying body  
14 of the State of Iowa or governmental subdivision thereof  
15 which are subject to use tax under the provisions of chapter  
16 four hundred twenty-three (423).

17 7. The gross receipts of all sales of goods, wares,  
18 merchandise, or material to any contractor, used for the  
19 fulfillment of any written contract within the State of Iowa  
20 or departmental agency or municipal or political subdivision  
21 thereof, which become an integral part of the project under  
22 contract and at the completion thereof become public property,  
23 except goods, wares, merchandise, or materials used in  
24 performance of a contract in connection with a municipally  
25 owned public utility engaged in selling gas, electricity,  
26 or heat to the public generally.

27 (a) Such contractor shall state under oath, on forms  
28 provided by the state tax commission, the facts which  
29 constitute the basis for any exemption claimed under this  
30 subsection, and shall deliver said executed form to the seller  
31 who shall retain it on file for five (5) years.

32 (b) In the event that such goods, wares, merchandise,  
33 and material are not used in the performance of the contract  
34 on which exemptions have been claimed, such contractor shall  
35 be liable for use tax thereon, and shall make a return of,  
36 such tax due to the state tax commission within thirty (30)  
37 days of the completion of the contract.

38 (c) Any contractor who shall falsely claim any exemption

39 under the provisions of this subsection shall be subject to  
40 a fine for misdemeanor, and in addition thereto shall be  
41 liable for the payment of the tax with penalty and interest  
42 thereon.

1     Sec. 3. Any tax levying or tax certifying body which  
2 has paid taxes prior to the effective date of this Act which  
3 would have been refundable under section four hundred twenty-  
4 two point forty-seven (422.47) subsections four (4) and seven (7),  
5 inclusive, Code 1950, shall be entitled to such accrued refunds  
6 in the same manner and by the same procedure as heretofore  
7 provided by said section and subsections, but all claims for  
8 such refunds which are not certified to the state tax commission  
9 within thirty (30) days after the last day of the quarter  
10 ending next subsequent to the effective date of this Act  
11 shall be forfeited and forever barred.