

February 20, 1963.  
Public Utilities.

**House File 301**  
By DIETZ.

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

## A BILL FOR

An Act to provide for an excise tax upon the gross revenue derived from the furnishing of commodities or services by co-operative corporations or associations, municipal corporations or federal corporations acting in a proprietary capacity, which are exempt from obligation to pay other enumerated taxes.

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

1 Section 1. An excise tax is hereby imposed upon the gross  
2 revenue derived from the sale of commodities or furnishing of  
3 services by co-operative corporations or associations and public  
4 corporations including municipal or federal corporations acting  
5 in a proprietary capacity.

1 Sec. 2. Such excise tax shall be fixed at one-third of  
2 one percent of the gross revenue per year.

1 Sec. 3. "Gross revenue" shall include revenue of every  
2 nature whatsoever received in the sale of commodities or furnish-  
3 ing of services to any person, corporation or organization,  
4 whether public or private for its consumption or accommodation.

1 Sec. 4. Payment of the tax to the tax commission shall be  
2 made within thirty days after the close of each calendar quarter  
3 based on the gross revenue for the quarter under such provisions  
4 as may be fixed by the Iowa tax commission.

1 Sec. 5. Such corporations and organizations taxed under the  
2 provisions of chapters four hundred twenty-two (422), four  
3 hundred thirty (430), four hundred thirty A (430A), four hundred

4 thirty-one (431) and four hundred thirty-two (432) of the Code  
5 shall be exempt from the provisions hereof. Also exempt shall  
6 be such corporations or associations organized and operated ex-  
7 clusively for religious, charitable, civic, educational, medical,  
8 scientific, literary, artistic or recreational purposes or for  
9 the advancement of a trade or business.

1 Sec. 6. Any law conflicting with any provision hereof shall  
2 be construed as not applicable to such corporations, associations  
3 or proprietary activity by public bodies prescribed herein.

1 Sec. 7. This Act being deemed of immediate importance shall  
2 take effect and be in full force from and after its passage and  
3 publication in ....., a newspaper  
4 published in ....., Iowa, and .....,  
5 a newspaper published in ....., Iowa.

#### EXPLANATION OF HOUSE FILE 301

This bill will provide a comparable contribution to the cost of state government from the sale of commodities and services by co-operative corporations and associations including political bodies acting in a business and not a governmental capacity, as is provided by corporations for profit. Since the furnishing of commodities and services, previously a primary function of corporations for profit, is increasingly offered by organizations exempt from the Iowa income tax, this provision is necessary to even the burden and contribution to the cost of state government. By this provision all commodities and services will reflect in their cost, a share of the cost of government without preference or partiality to the organization offering them nor to the consumer receiving them. It is self-evident that the state's functions require support from all economic activity in the furnishing of goods and services whether for profit or otherwise.