

FEB 21 2001  
WAYS AND MEANS

HOUSE FILE 343  
BY SCHRADER

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

1 An Act relating to casual sales for purposes of the sales and use  
2 tax exemption and including an effective date.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 343

1 Section 1. Section 422.42, Code 2001, is amended by adding  
2 the following new subsection:

3 NEW SUBSECTION. 3A. "Casual sales" includes,  
4 notwithstanding subsection 3, the sales or the rendering,  
5 furnishing, or performing of a recurring nature of tangible  
6 personal property or services by the owner if, at the time of  
7 the sale, all of the following apply:

8 a. The seller is not engaged for profit in the business of  
9 selling tangible personal property or the rendering,  
10 furnishing, or providing of services taxed under section  
11 422.43. For purposes of this paragraph, the fact of the  
12 recurring nature of selling tangible personal property or the  
13 rendering, furnishing, or providing of services does not  
14 constitute by itself engaging for profit in the business of  
15 selling tangible personal property or the rendering,  
16 furnishing, or providing of services.

17 b. The total gross receipts from the sales of tangible  
18 personal property or the rendering, furnishing, or providing  
19 of services during the calendar year does not exceed five  
20 hundred dollars.

21 "Casual sales", as defined in this subsection, includes but  
22 is not limited to, parking concessions on the seller's lawn or  
23 driveway and participation in antique auto swap meets.

24 Sec. 2. EFFECTIVE DATE. This Act, being deemed of  
25 immediate importance, takes effect upon enactment.

26 EXPLANATION

27 Under the state sales and use taxes, an exemption exists  
28 for casual sales. Current law defines casual sales as sales  
29 of almost all a person's stock in trade to another who will  
30 carry on the same business or a sale which is nonrecurring  
31 made by someone who is not in the business of making sales  
32 that are subject to the sales tax. This bill includes as a  
33 casual sale the sale of tangible property or the furnishing of  
34 a service which is recurring if the seller is not in the  
35 business of selling or furnishing services and the total gross

1 receipts from these recurring sales and services do not exceed  
2 \$500.

3 The bill takes effect upon enactment.

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