

MAR 6 2001
WAYS AND MEANS

HOUSE FILE 515
BY SHEY

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

A BILL FOR

1 An Act relating to the refunding of state sales and use taxes
2 paid by contractors in the performance of construction
3 contracts for a museum paid for through revenue bonds.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 515

1 Section 1. Section 422.45, subsection 7, unnumbered
2 paragraph 1, Code 2001, is amended to read as follows:

3 A private nonprofit educational institution in this state,
4 nonprofit private museum in this state, tax-certifying or tax-
5 levying body or governmental subdivision of the state,
6 including the state board of regents, state department of
7 human services, state department of transportation, a
8 municipally owned solid waste facility which sells all or part
9 of its processed waste as fuel to a municipally owned public
10 utility, and all divisions, boards, commissions, agencies, or
11 instrumentalities of state, federal, county, or municipal
12 government which do not have earnings going to the benefit of
13 an equity investor or stockholder, may make application to the
14 department for the refund of the sales, services, or use tax
15 upon the gross receipts of all sales of goods, wares, or
16 merchandise, or from services rendered, furnished, or
17 performed, to a contractor, used in the fulfillment of a
18 written contract with the state of Iowa, any political
19 subdivision of the state, or a division, board, commission,
20 agency, or instrumentality of the state or a political
21 subdivision, a private nonprofit educational institution in
22 this state, or a nonprofit private museum in this state if the
23 property becomes an integral part of the project under
24 contract and at the completion of the project becomes public
25 property, is devoted to educational uses, or becomes a
26 nonprofit private museum; except goods, wares, or merchandise,
27 or services rendered, furnished, or performed used in the
28 performance of any contract in connection with the operation
29 of any municipal utility engaged in selling gas, electricity,
30 or heat to the general public or in connection with the
31 operation of a municipal pay television system; and except
32 goods, wares, and merchandise used in the performance of a
33 contract for a "project" under chapter 419 as defined in that
34 chapter other than goods, wares, or merchandise used in the
35 performance of a contract for a "project" under chapter 419

1 for which a bond issue was approved by a municipality prior to
2 July 1, 1968, or for which the goods, wares, or merchandise
3 becomes an integral part of the project under contract and at
4 the completion of the project becomes public property, ~~or~~ is
5 devoted to educational uses, or is used for museum purposes.

6 EXPLANATION

7 Under current law, governmental entities, and private
8 nonprofit educational institutions and museums may receive a
9 refund of any state sales and use taxes paid by contractors in
10 performance of construction contracts, except for projects for
11 which revenue bonds were issued to fund the construction other
12 than revenue bond projects that became public property or were
13 used for educational purposes. This bill adds to this list
14 revenue bonds which financed projects that are to be used for
15 museum purposes.

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