

Sexton
Gaskill
Black

SSB-1163
Agriculture

SENATE/HOUSE FILE Succeeded By
BY (PROPOSED DEPARTMENT OF SP/HF 335
AGRICULTURE AND LAND
STEWARDSHIP BILL)

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

A BILL FOR

1 An Act relating to species of animals by classifying certain
2 species as livestock and providing exemptions from the sales
3 and use tax for feed used to support the species.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 267.1, subsection 2, Code 2001, is
2 amended to read as follows:

3 2. "Livestock" means swine, sheep, poultry, cattle, farm
4 deer as defined in section 189A.2, ostriches, rheas, or emus.

5 Sec. 2. Section 267.2, subsection 5, Code 2001, is amended
6 to read as follows:

7 5. One milk producer appointed by the Iowa state dairy
8 association who shall serve an initial term of two years; ~~and.~~

9 5A. One producer of farm deer appointed by the secretary
10 of agriculture, who shall serve an initial term of two years.

11 Sec. 3. Section 422.42, Code 2001, is amended by adding
12 the following new subsections:

13 NEW SUBSECTION. 3A. "Farm deer" means the same as defined
14 in section 189A.2.

15 NEW SUBSECTION. 6A. "Livestock" includes but is not
16 limited to an animal classified as an ostrich, rhea, or emu,
17 bison; or farm deer.

18 Sec. 4. Section 422.45, Code 2001, is amended by adding
19 the following new subsection:

20 NEW SUBSECTION. 16. ~~The gross receipts from the sale of~~
21 ~~feed and feed supplements and additives when used for~~
22 consumption by farm deer or bison.

23 EXPLANATION

24 This bill amends several provisions relating to livestock,
25 by providing that the provisions apply to special species
26 including farm deer and bison. The Code defines "farm deer"
27 in several sections, including section 189A.2, to mean an
28 animal belonging to the cervidae family and classified as part
29 of the dama species of the dama genus, commonly referred to as
30 fallow deer; part of the elaphus species of the cervus genus,
31 commonly referred to as red deer or elk; or part of the nippon
32 species of the cervus genus, commonly referred to as sika.
33 However, a farm deer does not include any unmarked free-
34 ranging elk.

35 The bill amends Code chapter 267, which provides for a

1 livestock health advisory council. The purpose of the council
 2 is to make recommendations to the Iowa state university
 3 college of veterinary medicine concerning the application of
 4 funds appropriated to the college. The bill requires the
 5 secretary of agriculture to appoint a member representing farm
 6 deer producers to the council.

7 Code chapter 422, division IV, provides for retail sales
 8 tax and exemptions. Code section 422.42 provides definitions
 9 for the division. It excludes from the definition of retail
 10 sale agricultural breeding livestock and domesticated fowl.
 11 Code section 422.45 contains exemptions for items related to
 12 livestock production (e.g., the sale of equipment and
 13 machinery or replacement parts for equipment or machinery
 14 associated with livestock production, and the sale of bedding
 15 materials). This bill amends the definition of livestock
 16 contained in Code section 422.42 to include farm deer and
 17 bison, as well as ostriches, rheas, or ~~emus~~ (already
 18 considered livestock under Code section 4.1). In addition,
 19 the bill exempts from the sales and use taxes the sale of feed
 20 to be used for consumption by farm deer and bison. Sales of
 21 feed supplements and additives used for the same purpose are
 22 also exempt.

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IOWA DEPARTMENT OF AGRICULTURE
AND LAND STEWARDSHIP



MEMO

TO: Members of the Iowa General Assembly

FROM: Jamie Cashman, Legislative Liaison

SUBJECT: Elk Legislation

DATE: 2/15/01

This legislation relates to the production of elk or farm deer in the state of Iowa. Due to the rise in elk production this legislation provides a definition of farm deer and includes language that adds this species as livestock. It goes further to provide tax exemptions for feed and other items related to production. This legislation is necessary to continue the development of elk production in this state and to provide additional opportunities for Iowa farmers.

3/19/01 Referred from Reg. Calendar to W. Inv. Comm.

3/27/01 Do Pass

W. 3/29/01 W. & Meone

FILED MAR 1 '01

SENATE FILE 335
BY COMMITTEE ON AGRICULTURE

(SUCCESSOR TO SSB 1163)

Passed Senate, Date ^(P. 900) 3-28-01
Vote: Ayes 49 Nays 0

Passed House, Date ^(P. 304) 2/12/02
Vote: Ayes 97 Nays 0

Approved March 6, 2002

(P. 318) Repassed 2/25/02
Vote 48-0

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3 and use tax for feed used to support the species.

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SF 335

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5 NEW SUBSECTION. 6A. "Livestock" includes but is not
6 limited to an animal classified as an ostrich, rhea, or emu;
7 bison; or farm deer.

8 Sec. 2. Section 422.45, Code 2001, is amended by adding
9 the following new subsection:

10 NEW SUBSECTION. 16. The gross receipts from the sale of
11 feed and feed supplements and additives when used for
12 consumption by farm deer or bison.

13 EXPLANATION

14 This bill amends several provisions relating to livestock,
15 by providing that the provisions apply to special species
16 including farm deer and bison. The Code defines "farm deer"
17 in several sections, including section 189A.2, to mean an
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19 of the dama species of the dama genus, commonly referred to as
20 fallow deer; part of the elaphus species of the cervus genus,
21 commonly referred to as red deer or elk; or part of the nippon
22 species of the cervus genus, commonly referred to as sika.
23 However, a farm deer does not include any unmarked free-
24 ranging elk.

25 Code chapter 422, division IV, provides for retail sales
26 tax and exemptions. Code section 422.42 provides definitions
27 for the division. It excludes from the definition of retail
28 sale agricultural breeding livestock and domesticated fowl.
29 Code section 422.45 contains exemptions for items related to
30 livestock production (e.g., the sale of equipment and
31 machinery or replacement parts for equipment or machinery
32 associated with livestock production, and the sale of bedding
33 materials). This bill amends the definition of livestock
34 contained in Code section 422.42 to include farm deer and
35 bison, as well as ostriches, rheas, or emus (already

1 considered livestock under Code section 4.1). In addition,
2 the bill exempts from the sales and use taxes the sale of feed
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**SENATE FILE 335
FISCAL NOTE**

A fiscal note for **Senate File 335** is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

SUMMARY

Senate File 335 changes the definition of agricultural breeding stock and domesticated fowl to include farm deer, bison, ostriches, and rheas, exempting these types of livestock from sales and use tax. The Bill also exempts the sale of feed, feed supplements, and additives from sales and use tax.

ASSUMPTIONS

1. Under current law, agricultural producers of farm deer, bison, ostriches, and rheas are required to pay sales or use tax for the sale of agricultural breeding stock and feed supplies.
2. Under current practices, few producers are paying sales or use tax for the agricultural breeding stock or feed supplies.

FISCAL IMPACT

The provisions of Senate File 335 reflect current practices, therefore, the estimated fiscal impact would be minimal.

SOURCE

Iowa Elk Breeders Association

(LSB 1244SV, DFK)

FILED MARCH 6, 2001

BY DENNIS PROUTY, FISCAL DIRECTOR

SENATE FILE 335

H-8032

1 Amend Senate File 335, as passed by the Senate, as
2 follows:

3 1. Page 1, line 1, by inserting after the "Code"
4 the following: "Supplement".

5 2. Page 1, line 8, by inserting after the word
6 "Code" the following: "Supplement".

7 3. Page 1, by inserting after line 12, the
8 following:

9 "Sec. ____ . REFUNDS. Refunds of taxes, interest, or
10 penalties which arise from claims resulting from the
11 enactment of section 422.45, subsection 16, in this
12 Act, for sales occurring between April 1, 1995, and
13 the effective date of this Act, shall be limited to
14 fifty thousand dollars in the aggregate and shall not
15 be allowed unless refund claims are filed prior to
16 October 1, 2002, notwithstanding any other provision
17 of law. If the amount of claims totals more than
18 fifty thousand dollars in the aggregate, the
19 department of revenue and finance shall prorate the
20 fifty thousand dollars among all claimants in relation
21 to the amounts of the claimants' valid claims.

22 Sec. ____ . EFFECTIVE DATE AND RETROACTIVE
23 APPLICABILITY PROVISION. This Act, being deemed of
24 immediate importance, takes effect upon enactment and
25 applies retroactively to April 1, 1995."

26 4. Title page, line 2, by striking the words
27 "livestock and" and inserting the following:
28 "livestock,".

29 5. Title page, line 3, by inserting after the
30 word "species" the following: ", providing for
31 refunds, and including an effective date and
32 retroactive applicability provision".

By COMMITTEE ON WAYS AND MEANS
VAN FOSSEN of Scott, Chairperson

H-8032 FILED FEBRUARY 5, 2002

Adopted
2/12/02
(p. 304)

HOUSE AMENDMENT TO
SENATE FILE 335

S-5032

1 Amend Senate File 335, as passed by the Senate, as
2 follows:

3 1. Page 1, line 1, by inserting after the word
4 "Code" the following: "Supplement".

5 2. Page 1, line 8, by inserting after the word
6 "Code" the following: "Supplement".

7 3. Page 1, by inserting after line 12, the
8 following:

9 "Sec. ____ . REFUNDS. Refunds of taxes, interest, or
10 penalties which arise from claims resulting from the
11 enactment of section 422.45, subsection 16, in this
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14 fifty thousand dollars in the aggregate and shall not
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16 October 1, 2002, notwithstanding any other provision
17 of law. If the amount of claims totals more than
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28 "livestock,".

29 5. Title page, line 3, by inserting after the
30 word "species" the following: ", providing for
31 refunds, and including an effective date and
32 retroactive applicability provision".

RECEIVED FROM THE HOUSE

S-5032 FILED FEBRUARY 13, 2002

Senate Concurred
2/25/02
(P. 377)

SENATE FILE 335

AN ACT

RELATING TO SPECIES OF ANIMALS BY CLASSIFYING CERTAIN SPECIES AS LIVESTOCK, PROVIDING EXEMPTIONS FROM THE SALES AND USE TAX FOR FEED USED TO SUPPORT THE SPECIES, PROVIDING FOR REFUNDS, AND INCLUDING AN EFFECTIVE DATE AND RETROACTIVE APPLICABILITY PROVISION.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 422.42, Code Supplement 2001, is amended by adding the following new subsections:

NEW SUBSECTION. 3A. "Farm deer" means the same as defined in section 189A.2.

NEW SUBSECTION. 6A. "Livestock" includes but is not limited to an animal classified as an ostrich, rhea, or emu; bison; or farm deer.

Sec. 2. Section 422.45, Code Supplement 2001, is amended by adding the following new subsection:

NEW SUBSECTION. 16. The gross receipts from the sale of feed and feed supplements and additives when used for consumption by farm deer or bison.

Sec. 3. REFUNDS. Refunds of taxes, interest, or penalties which arise from claims resulting from the enactment of section 422.45, subsection 16, in this Act, for sales occurring between April 1, 1995, and the effective date of this Act, shall be limited to fifty thousand dollars in the aggregate and shall not be allowed unless refund claims are filed prior to October 1, 2002, notwithstanding any other provision of law. If the amount of claims totals more than fifty thousand dollars in the aggregate, the department of revenue and finance shall prorate the fifty thousand dollars among all claimants in relation to the amounts of the claimants' valid claims.

Sec. 4. EFFECTIVE DATE AND RETROACTIVE APPLICABILITY PROVISION. This Act, being deemed of immediate importance, takes effect upon enactment and applies retroactively to April 1, 1995.

MARY E. KRAMER
President of the Senate

BRENT SIEGRIST
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 335, Seventy-ninth General Assembly.

MICHAEL E. MARSHALL
Secretary of the Senate

Approved March 6, 2002

THOMAS J. VILSACK
Governor