

FILED JAN 28 2002

SENATE FILE
BY SHEARER

2061

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

A BILL FOR

1 An Act relating to the sales and use tax exemption for charges
2 paid for access to on-line computer services, providing for
3 refunds, and including an effective and retroactive
4 applicability date provision.

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

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SF 2061
WAYS & MEANS

1 Section 1. Section 422.45, subsection 56, Code Supplement
2 2001, is amended by adding the following new unnumbered
3 paragraph:

4 NEW UNNUMBERED PARAGRAPH. This exemption applies
5 retroactively to July 1, 1995.

6 Sec. 2. REFUNDS. Refunds of taxes, interest, or penalties
7 which arise from claims resulting from the amendment of
8 section 422.45, subsection 56, in this Act, for sales or
9 services occurring between July 1, 1995, and June 30, 1999,
10 shall be limited to twenty-five thousand dollars in the
11 aggregate and shall not be allowed unless refund claims are
12 filed prior to October 1, 2002, notwithstanding any other
13 provision of law. If the amount of claims totals more than
14 twenty-five thousand dollars in the aggregate, the department
15 of revenue and finance shall prorate the twenty-five thousand
16 dollars among all claimants in relation to the amounts of the
17 claimants' valid claims.

18 Sec. 3. EFFECTIVE DATE AND RETROACTIVE APPLICABILITY
19 PROVISION. This Act, being deemed of immediate importance,
20 takes effect upon enactment and applies retroactively to July
21 1, 1995.

22 EXPLANATION

23 This bill makes the present sales and use tax exemption,
24 enacted July 1, 1999, for charges for access to on-line
25 computer services, including internet, retroactive to July 1,
26 1995, and through June 30, 1999. If any refunds are claimed
27 prior to October 1, 2002, because of the amendment making the
28 exemption retroactive, the aggregate limit is \$25,000. If
29 claims exceed this amount, the amount of each claim shall be
30 prorated.

31 The bill takes effect upon enactment and applies
32 retroactively to July 1, 1995.

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