

FEB 15 2006
WAYS AND MEANS

HOUSE FILE 2374
BY PAULSEN

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

A BILL FOR

1 An Act exempting the sale of truck bodies and their mounting on
2 empty truck chassis from the local option sales and services
3 taxes.

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

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HF 2374

1 Section 1. Section 423B.5, unnumbered paragraph 1, Code
2 Supplement 2005, is amended to read as follows:

3 A local sales and services tax at the rate of not more than
4 one percent may be imposed by a county on the sales price
5 taxed by the state under chapter 423, subchapter II. A local
6 sales and services tax shall be imposed on the same basis as
7 the state sales and services tax or in the case of the use of
8 natural gas, natural gas service, electricity, or electric
9 service on the same basis as the state use tax and shall not
10 be imposed on the sale of any property or on any service not
11 taxed by the state, except the tax shall not be imposed on the
12 sales price from the sale of motor fuel or special fuel as
13 defined in chapter 452A which is consumed for highway use or
14 in watercraft or aircraft if the fuel tax is paid on the
15 transaction and a refund has not or will not be allowed, on
16 the sales price from the sale of equipment by the state
17 department of transportation, and on the sales price of a
18 truck body and its mounting onto an empty truck chassis, and
19 except the tax shall not be imposed on the sales price from
20 the sale or use of natural gas, natural gas service,
21 electricity, or electric service in a city or county where the
22 sales price from the sale of natural gas or electric energy is
23 subject to a franchise fee or user fee during the period the
24 franchise or user fee is imposed. A local sales and services
25 tax is applicable to transactions within those incorporated
26 and unincorporated areas of the county where it is imposed and
27 shall be collected by all persons required to collect state
28 sales taxes. All cities contiguous to each other shall be
29 treated as part of one incorporated area and the tax would be
30 imposed in each of those contiguous cities only if the
31 majority of those voting in the total area covered by the
32 contiguous cities favors its imposition.

33 Sec. 2. Section 423E.3, subsection 2, Code Supplement
34 2005, is amended to read as follows:

35 2. The tax shall be imposed on the same basis as the state

1 sales and services tax or in the case of the use of natural
2 gas, natural gas service, electricity, or electric service on
3 the same basis as the state use tax and shall not be imposed
4 on the sale of any property or on any service not taxed by the
5 state, except the tax shall not be imposed on the sales price
6 from the sale of motor fuel or special fuel as defined in
7 chapter 452A which is consumed for highway use or in
8 watercraft or aircraft if the fuel tax is paid on the
9 transaction and a refund has not or will not be allowed, on
10 the sales price from the sale of equipment by the state
11 department of transportation, and on the sales price of a
12 truck body and its mounting onto an empty truck chassis, and
13 except the tax shall not be imposed on the sales price from
14 the sale or use of natural gas, natural gas service,
15 electricity, or electric service in a city or county where the
16 sales price from the sale of natural gas or electric energy is
17 subject to a franchise fee or user fee during the period the
18 franchise or user fee is imposed.

19 EXPLANATION

20 This bill exempts from the local option sales and services
21 tax and the sales and services tax for school infrastructure
22 purposes the sales price of a truck body and its mounting onto
23 an empty truck chassis.

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