

SENATE FILE  
BY McCOY

2259

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

A BILL FOR

1 An Act relating to an exemption from the sales tax for paint and  
2 related supplies used by a motor vehicle repairer to refinish  
3 a motor vehicle.

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

WAYS & MEANS

SF 2259

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1 Section 1. Section 423.2, subsection 6, unnumbered  
2 paragraph 1, Code Supplement 2005, is amended to read as  
3 follows:

4 The sales price of any of the following enumerated services  
5 is subject to the tax imposed by subsection 5: alteration and  
6 garment repair; armored car; vehicle repair including paint  
7 and other supplies used in the refinishing of a vehicle;  
8 battery, tire, and allied; investment counseling; service  
9 charges of all financial institutions; barber and beauty; boat  
10 repair; vehicle wash and wax; campgrounds; carpentry; roof,  
11 shingle, and glass repair; dance schools and dance studios;  
12 dating services; dry cleaning, pressing, dyeing, and  
13 laundering; electrical and electronic repair and installation;  
14 excavating and grading; farm implement repair of all kinds;  
15 flying service; furniture, rug, carpet, and upholstery repair  
16 and cleaning; fur storage and repair; golf and country clubs  
17 and all commercial recreation; gun and camera repair; house  
18 and building moving; household appliance, television, and  
19 radio repair; janitorial and building maintenance or cleaning;  
20 jewelry and watch repair; lawn care, landscaping, and tree  
21 trimming and removal; limousine service, including driver;  
22 machine operator; machine repair of all kinds; motor repair;  
23 motorcycle, scooter, and bicycle repair; oilers and  
24 lubricators; office and business machine repair; painting,  
25 papering, and interior decorating; parking facilities; pay  
26 television; pet grooming; pipe fitting and plumbing; wood  
27 preparation; executive search agencies; private employment  
28 agencies, excluding services for placing a person in  
29 employment where the principal place of employment of that  
30 person is to be located outside of the state; reflexology;  
31 security and detective services; sewage services for  
32 nonresidential commercial operations; sewing and stitching;  
33 shoe repair and shoeshine; sign construction and installation;  
34 storage of household goods, mini-storage, and warehousing of  
35 raw agricultural products; swimming pool cleaning and

1 maintenance; tanning beds or salons; taxidermy services;  
2 telephone answering service; test laboratories, including  
3 mobile testing laboratories and field testing by testing  
4 laboratories, and excluding tests on humans or animals;  
5 termite, bug, roach, and pest eradicators; tin and sheet metal  
6 repair; transportation service consisting of the rental of  
7 recreational vehicles or recreational boats, or the rental of  
8 motor vehicles subject to registration which are registered  
9 for a gross weight of thirteen tons or less for a period of  
10 sixty days or less, or the rental of aircraft for a period of  
11 sixty days or less; Turkish baths, massage, and reducing  
12 salons, excluding services provided by massage therapists  
13 licensed under chapter 152C; water conditioning and softening;  
14 weighing; welding; well drilling; wrapping, packing, and  
15 packaging of merchandise other than processed meat, fish,  
16 fowl, and vegetables; wrecking service; wrecker and towing.

17 Sec. 2. Section 423.3, Code Supplement 2005, is amended by  
18 adding the following new subsection:

19 NEW SUBSECTION. 89. The sales price from the sale of  
20 paint and other refinishing supplies to a refinisher of motor  
21 vehicles to be used in the repair of a motor vehicle, which  
22 service is subject to tax under section 423.2, subsection 6.  
23 For purposes of this subsection, the motor vehicle refinisher  
24 shall separately list the paint and refinishing supplies that  
25 are used to refinish the motor vehicle and are subject to tax.

26 EXPLANATION

27 Under present sales tax law, a person that purchases paint  
28 and other refinishing supplies to be used in motor vehicle  
29 repair is considered the consumer of such paint and supplies  
30 and must pay the sales tax on the purchase of these items.  
31 The repair of a motor vehicle is subject to the sales tax.  
32 This bill exempts the refinisher from paying the tax and  
33 requires that the tax on the paint and refinishing supplies be  
34 paid by the motor vehicle owner.

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