

FILED MAR 30 2006

SENATE FILE 2394

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SSB 3245)

Passed Senate, Date _____ Passed House, Date _____

Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act relating to the exemption of sales and use taxes on the
2 purchase of coins, currency, or bullion.

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

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SP 2394

1 Section 1. Section 423.3, Code Supplement 2005, is amended
2 by adding the following new subsection:

3 NEW SUBSECTION. 89. a. The sales price from the sale of
4 coins, currency, or bullion.

5 b. For purposes of this subsection:

6 (1) "Bullion" means bars, ingots, or commemorative
7 medallions of gold, silver, platinum, palladium, or a
8 combination of these where the value of the metal depends on
9 its content and not the form.

10 (2) "Coins" or "currency" means a coin or currency made of
11 gold, silver, or other metal or paper which is or has been
12 used as legal tender.

13 EXPLANATION

14 This bill exempts the sales price from the sale of coins,
15 currency, or bullion from the sales and use taxes. "Coins"
16 and "currency" are defined to include metal or paper that is
17 or was used as legal tender. "Bullion" is defined to include
18 bars, ingots, or commemorative medallions of precious metals.

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SENATE FILE 2396

S-5146

1 Amend Senate File 2396 as follows:
2 1. Page 1, line 2, by striking the word
3 "subsection" and inserting the following:
4 "subsections".
5 2. Page 1, by inserting after line 12 the
6 following:
7 "NEW SUBSECTION. 90. The sales price from the
8 sale of photography equipment and supplies when not
9 used in a trade or business."
10 3. Title page, line 1, by striking the word
11 "exemption" and inserting the following: "exemptions".
12 4. Title page, line 2, by inserting after the
13 word "bullion" the following: "and on the purchase of
14 nonbusiness photography equipment and supplies".

By HERMAN C. QUIRMBACH

S-5146 FILED APRIL 3, 2006

SENATE FILE 2396

S-5147

1 Amend Senate File 2396 as follows:
2 1. Page 1, line 2, by striking the word
3 "subsection" and inserting the following:
4 "subsections".
5 2. Page 1, by inserting after line 12 the
6 following:
7 "NEW SUBSECTION. 90. The sales price from the
8 sale of dolls, doll houses, and related items."
9 3. Title page, line 1, by striking the word
10 "exemption" and inserting the following: "exemptions".
11 4. Title page, line 2, by inserting after the
12 word "bullion" the following: "and on the purchase of
13 dolls, doll houses, and related items".

By HERMAN C. QUIRMBACH

S-5147 FILED APRIL 3, 2006

SENATE FILE 2396

S-5148

1 Amend Senate File 2396 as follows:
2 1. Page 1, line 2, by striking the word
3 "subsection" and inserting the following:
4 "subsections".
5 2. Page 1, by inserting after line 12 the
6 following:
7 "NEW SUBSECTION. 90. The sales price from the
8 sale of rocks when collected as geological specimens."
9 3. Title page, line 1, by striking the word
10 "exemption" and inserting the following: "exemptions".
11 4. Title page, line 2, by inserting after the
12 word "bullion" the following: "and on the purchase of
13 rocks as geological specimens".

By HERMAN C. QUIRMBACH

S-5148 FILED APRIL 3, 2006

SENATE FILE 2396

S-5149

1 Amend Senate File 2396 as follows:
2 1. Page 1, line 2, by striking the word
3 "subsection" and inserting the following:
4 "subsections".
5 2. Page 1, by inserting after line 12 the
6 following:
7 "NEW SUBSECTION. 90. The sales price from the
8 sale of yarn, knitting needles, and other knitting-
9 related items where such items are not used in a trade
10 or business."
11 3. Title page, line 1, by striking the word
12 "exemption" and inserting the following: "exemptions".
13 4. Title page, line 2, by inserting after the
14 word "bullion" the following: "and on the purchase of
15 nonbusiness knitting-related items".

By HERMAN C. QUIRMBACH

S-5149 FILED APRIL 3, 2006

SENATE FILE 2396

S-5150

1 Amend Senate File 2396 as follows:
2 1. Page 1, line 2, by striking the word
3 "subsection" and inserting the following:
4 "subsections".
5 2. Page 1, by inserting after line 12 the
6 following:
7 "NEW SUBSECTION. 90. The sales price from the
8 sale of model railroad items including but not limited
9 to model train cars, track engines, and signals, and
10 the electrical controls for such items."
11 3. Title page, line 1, by striking the word
12 "exemption" and inserting the following: "exemptions".
13 4. Title page, line 2, by inserting after the
14 word "bullion" the following: "and on the purchase of
15 model trains and accessories".

By HERMAN C. QUIRMBACH

S-5150 FILED APRIL 3, 2006

SENATE FILE 2396

S-5153

1 Amend Senate File 2396 as follows:
2 1. Page 1, line 2, by striking the word
3 "subsection" and inserting the following:
4 "subsections".
5 2. Page 1, by inserting after line 12 the
6 following:
7 "NEW SUBSECTION. 90. The sales price from the
8 sale of new and used stamps."
9 3. Title page, line 1, by striking the word
10 "exemption" and inserting the following: "exemptions".
11 4. Title page, line 2, by inserting after the
12 word "bullion" the following: "and on the purchase of
13 stamps".

By HERMAN C. QUIRMBACH

S-5153 FILED APRIL 3, 2006

SENATE FILE 2396

S-5179

1 Amend Senate File 2396 as follows:
2 1. Page 1, line 4, by striking the words "coins,
3 currency, or".
4 2. Page 1, line 6, by striking the figure "(1)".
5 3. Page 1, by striking lines 10 through 12.
6 4. Title page, line 2, by striking the words
7 "coins, currency, or".

By HERMAN C. QUIRMBACH

S-5179 FILED APRIL 10, 2006

SENATE FILE 2396

S-5151

1 Amend Senate File 2396 as follows:
2 1. Page 1, line 2, by striking the word
3 "subsection" and inserting the following:
4 "subsections".
5 2. Page 1, by inserting after line 12 the
6 following:
7 "NEW SUBSECTION. 90. The sales price from the
8 sale of model airplanes, boats, and cars."
9 3. Title page, line 1, by striking the word
10 "exemption" and inserting the following: "exemptions".
11 4. Title page, line 2, by inserting after the
12 word "bullion" the following: "and on the purchase of
13 model airplanes, boats, and cars".

By HERMAN C. QUIRMBACH

S-5151 FILED APRIL 3, 2006

SENATE FILE 2396

S-5152

1 Amend Senate File 2396 as follows:
2 1. Page 1, line 2, by striking the word
3 "subsection" and inserting the following:
4 "subsections".
5 2. Page 1, by inserting after line 12 the
6 following:
7 "NEW SUBSECTION. 90. The sales price from the
8 sale of sewing machines and fabrics, thread, buttons,
9 fasteners, zippers, and other items used in making
10 clothing where such items are not used in a trade or
11 business."
12 3. Title page, line 1, by striking the word
13 "exemption" and inserting the following: "exemptions".
14 4. Title page, line 2, by inserting after the
15 word "bullion" the following: "and on the purchase of
16 nonbusiness sewing machines and clothing items".

By HERMAN C. QUIRMBACH

S-5152 FILED APRIL 3, 2006

Fiscal Services Division
Legislative Services Agency
Fiscal Note

SF 2396 - Coins, Currency, and Bullion Tax Exemption (LSB 6495 SV)
Analyst: Jeff Robinson (Phone: [515] 281-4614) (jeff.robinson@legis.state.ia.us)
Fiscal Note Version - New

Description

Senate File 2396 provides a sales tax exemption for coins, currency, and bullion sold to retail customers in Iowa. The change is effective July 1, 2006.

Fiscal Impact

Based on sales data and sales tax returns from Iowa coin and currency dealers, the amount of State sales tax currently collected from the sale of coins, currency, and bullion is approximately \$65,000, beginning FY 2007.

The exemption will also reduce local option sales tax revenue \$16,000 per year.

Sources

Legislative Services Agency Analysis
Iowa Coin Dealers

/s/ Holly M. Lyons

April 3, 2006

The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Fiscal Services Division, Legislative Services Agency to members of the Legislature upon request.

Zawn co-chair
Connolly co-chair
Zieman
McCoy

Succeeded By
SF 2396

SSB#3245

Ways + Means

SENATE FILE _____

BY (PROPOSED COMMITTEE ON
WAYS AND MEANS BILL BY
CO-CHAIRPERSON ZIEMAN)

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

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16 and "currency" are defined to include metal or paper that is
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