

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 1973
Version: As Introduced

DATE: February 21, 2014

Authors: Wills and others

Subject: Repeals the sales tax on certain business transactions

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Overview

Repeals the sales tax on a number of business transactions that were first imposed during the 2013 legislative session.

Section

- 1 Sales and purchase.** Modifies the definition of taxable sale by removing business purchases of (1) repair and maintenance of electronic and precision equipment; (2) repair and maintenance of commercial and industrial equipment; and (3) warehousing and storage services. The tax was imposed on the first two items beginning with sales made after June 30, 2013, and these provisions are repealed retroactively to that date. The tax on storage and warehousing is imposed beginning March 31, 2014, and that portion of the repeal is effective the day after final enactment. Purchasers who paid the tax may apply for a direct refund in the same manner as other refunds allowed under section 297A.75.

- 2 Telecommunication and pay television services machinery and equipment.** Exempts machinery and equipment used in providing telecommunications and pay television services from sales tax. The exemption does not extend to wire, cable, fiber, poles, or conduit. The language is identical to the telecommunications sales tax exemption repealed in 2013 except that it now references “pay television” rather than “cable television and direct satellite”. The exemption is retroactive to July 1, 2013, and purchasers who paid the tax may apply for a direct refund in the same manner as other refunds allowed under section 297A.75