

April 27, 2023

[IowaHouseRepublicans.com](http://IowaHouseRepublicans.com)

## Appropriations

### How House Republicans Created the Taxpayer Relief Fund

Just what is the Taxpayer Relief Fund and how was it created? It is an account in the State Treasury that holds unanticipated state revenue to be returned to the taxpayers. In order for funds to be deposited in the Taxpayer Relief Fund, actual state revenue has to exceed what had been projected for state tax collections by the three-member Revenue Estimating Conference (REC). The difference between what was actually collected in tax revenue and what the REC had projected is deposited into the account once the fiscal year's books have been closed.

At the behest of House Republicans, the Fund was created in 2011 and was originally called the Taxpayer Trust Fund. House Republicans felt it was important that excess revenue be returned to the taxpayers rather than being spent on various state government bureaucracies. Through intense negotiations, the 2011 House Republican caucus convinced Senate Democrats (the majority party in the Senate at the time) and Governor Branstad to commit this. Thus, the Taxpayer Trust Fund was born. The maximum amount that could be deposited per year under that agreement was limited to no more than \$60 million. If there were funds deposited into the account, those funds would be returned to taxpayers through a special income tax credit on Iowans' state income tax return.

With the change of control in the Iowa Senate, the structure of the Taxpayer Trust Fund was significantly changed. As part of the 2018 state tax reform law, the name of the Fund was changed to the Taxpayer Relief Fund. The limit on the amount of funds that could be deposited into the account was stripped from the law, as was the automatic return of the funds via the personal income tax credit. Instead, the Fund would be dedicated to tax relief. The type or nature of the tax relief was left up to the Legislature to determine.

Using the final numbers for Fiscal Year 2022 as an example, here is how the Taxpayer Relief Fund works. When the Legislature passed the FY 22 budget in May 2021, the revenue forecast called for the state to collect \$8.1686 billion in tax revenue. When the books were closed on Fiscal Year 2022, actual state revenue amounted to \$9.8034 billion. The difference between the two figures is \$1.6348 billion, which is the amount deposited into the Taxpayer Relief Fund. Thanks to several consecutive years of record tax collections and controlled spending growth, the Taxpayer Relief Fund is projected to have \$3.5578 billion in its account. That is a symbol of the strong fiscal leadership that House Republicans has provided the state since 2011.

(Contact: Brad Trow 1-3471)

#### *Inside This Issue:*

Appropriations	1
Agriculture	2
Commerce	2
Economic Growth	3
Education	3
Environmental Protection	5
Health & Human Services	5
Judiciary	7
Labor	7
Public Safety	9
State Government	9
Transportation	10
Veterans Affairs	10
Ways & Means	11

## Agriculture

### Senate Gives Final Legislative Approval of Veterinary Scope of Practice Update Legislation

On Monday, April 24, 2023, the Iowa Senate considered and passed House File 670 by a 49-0 vote. HF 670 updates the state Veterinary Practice Code chapter (169) for the first time in over 25-years. Much of the legislation is codifying regulations which the Iowa Veterinary Board has adopted to deal with the evolution of the profession during the last three decades but for which the Code provided the Board with generalized rule making authority. The provisions in HF 670 were negotiated by the different parties in the profession and represent a consensus of the parties. The new Code language recognizes and specifies the scope of veterinary services that veterinary students, veterinary technicians and auxiliary veterinary personnel can perform and their relation to supervisory veterinarians.

HF 670 directs the Board of Veterinary medicine to submit notice of intended rule making to implement this legislation no later than January 1, 2024, and the legislation as a whole has a delayed effective date of July 1, 2024, to accommodate the new rule making process.

*(Contact: Lew Olson 1-3096)*

## Commerce

### Legislature Advances Utility, Business Regulation, and Real Estate Bills

The House and Senate have recently sent 13 Commerce Committee bills to the Governor's desk. Below are some of the important bills related to utilities, real estate, and business regulation that will likely become law.

- **SF 418 – Chinese Investments** – This bill requires Iowa's public funds to establish a list of prohibited companies that are owned or controlled by Chinese military or government services, and prohibits public investment in those prohibited companies.
- **HF 316 – Value-Add in Insurance** - This bill allows insurance companies to offer value-add products to customers.
- **HF 432 – HOA Documents** - This bill requires unit owners associations to provide access to all its organizational documents and most recent meeting minutes to owners and their agents.
- **HF 475 – Real Estate Unfair Practices** - This bill is American Land Title Association legislation to prohibit the use of services agreements that are unfair to an owner of residential real estate and the future owners. This consumer protection legislation prohibits property records that increase the cost and complexity of selling, refinancing, or transferring real estate.
- **HF 617 – Utility Rate Review** - This bill requires the IUB to coordinate a review of Iowa's ratemaking procedures with a report due to the legislature January 2024.
- **HF 599 – Muni/REC bill** - This bill comes from the municipal utilities and rural electric cooperatives to update language to mirror the Muni statute after the REC statute, to clarify the IUB's complaint authority is limited to matters within its jurisdiction, and clarifies that non-rate regulated utilities may charge disconnection or reconnection fees.
- **HF 250 – Franchise Tax** – This bill exempts streaming services (Netflix, Hulu, etc.) that have a direct-to-home satellite connection and do not use ground receiving or distribution equipment from franchise fee requirements.

- **HF 433 – To-Go Cocktails** – This bill aims to fix the definition of “sealed containers” to be in-line with federal regulations for open containers.
- **HF607 – Realtor Duty of Care** – This bill makes clear that real estate clients are responsible for the care and safety of their property, and that real estate licensees do not have a duty of care and cannot be liable unless they are the direct cause of the injury.

(Contact: Natalie Ginty 5-2063)

## Economic Growth

### April High Quality Jobs Awards

Recently the Iowa Economic Development Authority (IEDA) Board approved awards for three Iowa companies, which will assist in the creation of 310 jobs and result in nearly \$360 million in new capital investment for the state. These projects are located in Clinton, Norwalk and Rock Valley.

#### **Atlas Roofing—Clinton**

Atlas Roofing Corporation’s 33 North American facilities manufacture products across four major divisions: shingles and underlayments, molded products, roof and wall insulation, and web technologies. The company plans to construct a 440,000-square-foot asphalt shingle plant on 148 acres in Clinton. The project represents a \$212 million capital investment and is expected to create 117 jobs incented at a qualifying wage of \$19.57 per hour. The board awarded tax benefits and a \$750,000 forgivable loan through the High Quality Jobs (HQJ) program.

#### **Michael Foods—Norwalk**

A subsidiary of Michael Foods, Inc., M.G. Waldbaum Company is the nation’s largest processor of value-added eggs. The company plans to add 132,000 square feet and acquire machinery and equipment to increase capacity at their Norwalk facility. The project is expected to create 186 jobs, of which 25 are incented at a qualifying wage of \$30.38 per hour. It represents a capital investment of \$146 million and the board awarded tax benefits through the HQJ program.

#### **Valley Plating—Rock Valley**

Valley Plating, Inc. is a zinc electroplating producer that offers metal finishes to customers that include Harley Davidson, John Deere, and others in Iowa, South Dakota and Minnesota. The company plans to expand their facility in Rock Valley by 16,000 square feet to install an anodizing line for aluminum products. The project represents a nearly \$1.9 million capital investment and was awarded tax benefits through the HQJ program. It is expected to create seven jobs, of which three are incented at a qualifying wage of \$23.57 per hour.

(Contact: Kristi Kiious, 2-5290)

## Education

### Parent Empowerment, Teacher Empowerment Bills Receive Approval

Led by House Republicans, the Legislature has acted on significant measures this session empowering parents while making clear where the lines of control exist when it comes to parental responsibility and school district’s responsibility.

While it is unfortunate that parents were forced to come to the Legislature to defend and reassert their rights to direct the upbringing of their own children, lawmakers have a duty to respond. Whether the issue is school choice, age-

appropriate material, invasive surveys or, somewhat amazingly, whether or not schools can keep secrets from parents, House Republicans have led the way. This bill includes these things:

- Age-Appropriate Language.
  - Schools cannot have any curriculum or books that are not age appropriate. Age appropriate is not a description or visual depiction of a sex act as defined in 702.17.
- Transparency
  - District must publish their book or educational material removal policies and board decision review policies on their websites.
  - District must adopt policy for residents of the district and those who open enroll to review instructional materials and include process for student's to not be provided with certain materials.
  - Access to online library.
  - Identity of parent/guardian who requests removal must be kept confidential.
  - Students cannot be on book review committees.
- Parents Rights Language
  - Parents have the ultimate responsibility, and the fundamental, constitutionally protected right, to make decisions regarding the entire upbringing of their child.
- SEL Survey Language
  - Must get parental consent prior to giving surveys, parental access to surveys, who created/sponsored the survey, how the data is used, and how the data is stored.
- Special Education/homeschool language
  - AEA does not need to give consent before a special education student can receive CPI and a special education CPI student may dual enroll.
- Gender identity/sexual orientation instruction prohibited in K-6.
- AIDS and HPV/HPV vaccine as specific STDs or communicable diseases removed from being listed out in Code (does not prohibit instruction on these things)
- A school cannot knowingly give false or misleading information to a parent/guardian regarding the student's gender identity.
- If a student requests an accommodation for a gender identity different than their sex at birth, the teacher must report to the administrator and the administrator contacts the parent/guardian.
- Adds in HF 429 which is our intra-district enrollment language. This allows parents to change the attendance center of their child in cases of bullying and harassment.

The one piece that had yet to be approved by the Senate was teacher empowerment (House File 604). Teachers need the ability to control their classrooms and protect rule-abiding students from disruptive and potentially violent students. Teachers deserve to know why they are being forced to take certain kinds of training. On Wednesday, HF 604 was amended and approved by the Senate. While the Senate weakened the bill's effort to give teachers direct and clear disciplinary measures to maintain control of their classrooms, it is still a step forward. Key pieces of the bill include:

- The district must provide the Code section or rules adopted by the State Board or the BOEE that requires the employee to participate in the professional development program.
- The district must provide notice of teacher immunity in regards to coming in physical contact with at student.
- Teacher must notify the parent/guardian within 24 hours if they witness student injury.
- Includes teacher whistleblower protection.

Together, parents, teachers, and the districts can all work together to create the best school that does the best for the students and families.

*(Contact: Kristin Rozeboom 1-3015)*

## Environmental Protection

### DNR Cautions Iowans--Beware of Burning

On Thursday, April 20, 2023, the Iowa Department of Natural Resources (DNR) issued its electronic newsletter 'EcoNewsWire' that contained an article observing that as the weather gradually warms up and spring cleaning begins, DNR is reminding residents of the open burning regulations which can result in substantial civil penalties. DNR notes that today's waste materials are filled with potentially toxic chemicals that are released to the atmosphere when burned, many of which weren't around 50 or 60 years ago. Once pollutants are in the air, human health can be negatively impacted and pollutants could affect crops and water sources. To minimize potential health and environmental dangers from pollutants released into the air, the best course of action is to follow DNR regulations and county and city ordinances before burning. Residents should also take note of any burn bans in place. Residents can contact their [local DNR field office](#) with any additional questions.

Items that should never be burned include:

#### Rubber tires

- Household garbage/recyclables
- Materials that could contain asbestos
- Asphalt shingles
- Railroad tires
- Treated wood
- Dead animals
- Construction/demolition debris
- Petroleum products
- Plastic
- Metals
- Carpet
- Furniture

There are a few exemptions to open burning rules, including landscape waste that came from the owner's property, recreational fires, training fires, burning disaster rubbish and residential waste. Landscape waste and trees/tree trimmings originating on the property can be burned but cannot be transported to another property to burn. In certain cases, burning cannot occur within one-quarter mile of an inhabitable structure. More information on open burning can be found at <https://www.iowadnr.gov/Environmental-Protection/Air-Quality/Open-Burning>.

(Contact: Lew Olson 1-3096)

## Health and Human Services

### HHS Budget Provides Increase for Mental Health, Nursing Homes

This week, the House and Senate released an agreement on the Health and Human Services Budget for FY 2024. Below is a list of highlights of the significant investments to advance access to mental health and support Iowa's nursing homes. This budget appropriates \$2.124 billion of state general fund (in total with federal money and other funds it is over \$6 billion) towards Medicaid, child care, child welfare, public health and aging and veteran services.

#### 1. Mental Health and Substance Abuse

- This budget provides \$13 million in increased state funding towards mental health and substance abuse Medicaid rates. In total with federal funding, this is over \$35 million increase to ensure that the

state can recruit and retain mental health providers to care for Iowans in need. These increases came based on a Medicaid rate review that compared Iowa's mental health rates to surrounding states and to Medicare.

- Provides funding and employees to specialize the Independence Mental Health Institute to behaviorally complex youth and the Cherokee MHI to acute and forensic adults.
- Increases funding towards Iowa's Mental Health and Disability Services Regions based on the state completely taking over the funding of the MHDS Regions last year.

2. Nursing Homes

- Provides \$15 million of state funding (meaning over \$40 million of total funding) increase to Iowa's nursing homes. Unfortunately, Iowa's nursing homes have faced significant challenges with workforce, more complex patients, and closures in recent years. This funding, along with a provider tax increase, will ensure Iowa's nursing homes are on a stable path going forward.
- This budget includes a \$68 million increase to the Quality Assurance Assessment Fee. On April 1, the contribution rate increased and has brought in additional federal funding that goes directly to Iowa's nursing homes ensuring quality care is provided to Iowa's seniors.

3. Family Medicine OB Fellowships – Funds 4 annual family medicine obstetric fellowships every year. In order to participate, the family medicine doctor must sign an agreement with a teaching hospital to participate in the fellowship for one year, and then commit to remaining in Iowa and serving rural and underserved areas for 5 years after completing their fellowship.

4. Child Welfare

- Provides \$1.3 million increase to Iowa's child welfare workers. The state has had a difficult time recruiting individuals to these positions to help Iowa's children in need.
- Increases the allowable expense for nonrecurring legal fees from \$500 to \$1000 per child for reasonable, necessary costs directly related to the legal adoption of a child eligible for Iowa's adoption subsidy program.

5. Workforce for difficult to serve Iowans:

- This budget maintains the \$14.6 million increase to home and community-based service providers and \$7.4 million intellectual disability waiver waitlist buydown that began this year by committing \$5.5 million to fund quarter 4 of FY2024.
- This budget maintains the \$3.8 million appropriation provided last year to Qualified Residential Treatment programs by ensuring that a future shortfall does not occur to the child and family services section.

6. Health and Human Services Alignment – this bill continues the work done over the last 2 years regarding alignment of Iowa's health and human services programs, including adding in aging, human rights, child advocacy board and volunteer programs.

7. Medicaid disenrollment – For the last two and a half years, the federal government has prevented states from disenrolling ineligible Medicaid members. This has results in an estimated 100,000 ineligible Iowans receiving free health insurance, without paying any premiums or copays, and the state paying a monthly capitation payment for every single ineligible member. This bill ensures that the state disenrolls these individuals as soon as possible this spring/summer.

8. Establishes a Public Assistance Modernization fund to enhance IT capabilities for Iowa's welfare programs. This will streamline applications for Iowans as well as ensure that those on the programs are truly eligible for the entitlement program.

9. Provides a \$500,000 increase to the more options for maternal support program that will focus on promoting healthy pregnancies and childbirth through nonprofits that provide pregnancy support services. This bill also allows the funds to carryforward to future fiscal years as DHHS goes through the RFP process.

10. Provides a \$200,000 increase to the Veterans Home Ownership Assistance Program, allowing 40 more veterans to receive grants every year.

*(Contact: Natalie Ginty 5-2063)*

## Judiciary

### Senate Advances Multiple House Judiciary Bills to the Governor

As session winds down for the year, both chambers are working hard to move legislation. The House Judiciary Committee sent a significant number of bills to the Senate for consideration. Below are some of the bills the Senate has agreed to send to the Governor for her approval:

#### **HF 113- Public Defender Child Welfare Pilot Project**

The bill extends the public defender pilot project through June 30, 2025 and expands the program from six, to 16 counties.

The project started in July of 2020 and works to assist families involved in the child welfare system with innovative programs.

#### **HF 176- Continuous Sexual Abuse- Penalties**

HF 176 updates the crime for continuous sexual abuse of a child. A person convicted of continuous sexual abuse of a child is guilty of a class “B” felony and must serve 70% of their 50-year sentence.

#### **HF 397- Electronic Signing of Wills**

Allows for the electronic signing of wills and clarifies that those signed electronically during the Governors emergency executive order are valid.

#### **HF 474- Newborn Safe Haven Adoption**

HF 474 will allow state-licensed private agencies to engage in the placement of infants given up through the safe haven act.

#### **HF 595-Controlled Substance- Penalties**

HF 595 increases penalties for manufacturing, possessing or selling fentanyl. Additionally, the bill ensures those who provide fentanyl can be held responsible if another person dies.

*(Contact: Amanda Wille, 1-5230)*

## Labor

### Fourth Quarter 2022 Quarterly Census of Employment and Wages Data Released

The fourth quarter 2022 Quarterly Census of Employment and Wages (QCEW) data has been released. This data is a census of jobs covered by unemployment insurance and available for Iowa and the 99 counties by sector and subsector. The available data now covers the first quarter of 2011 through the fourth quarter of 2022.

To view the updated data visit the [Quarterly Census of Employment and Wages](#) page.

Table 1 shows the Iowa Employment and Wages by Sector for 2022 Quarter 4.

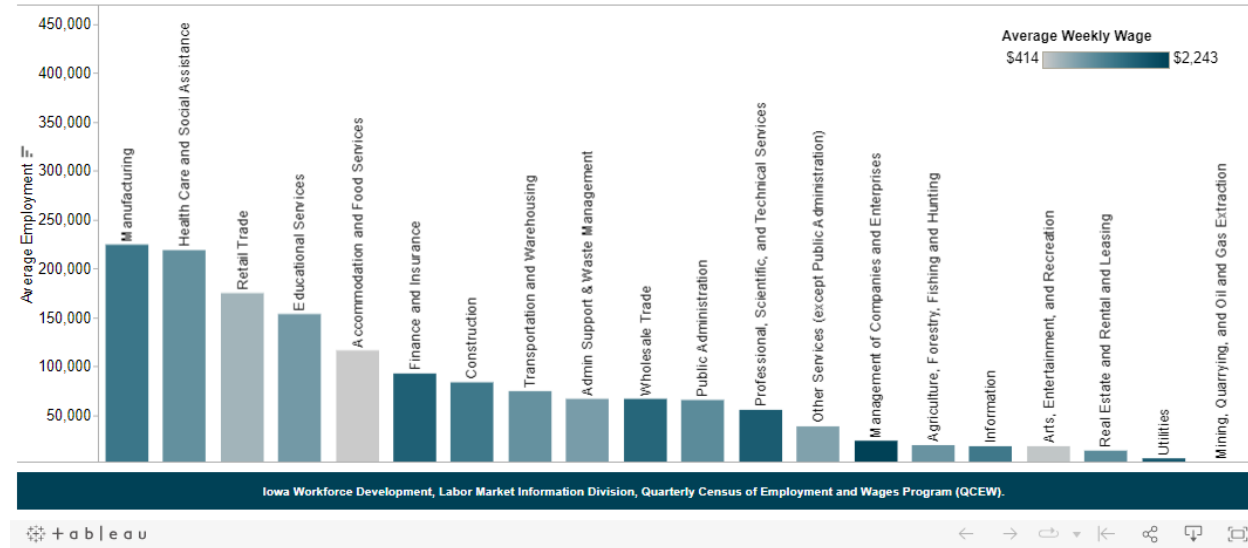
### Iowa Employment by Sector (All), 2022 Quarter 4

Year	Sector/Subsector	Total Locations	Employment Month 1	Employment Month 2	Employment Month 3	Average Emp	Ave Weekly Wage
<input checked="" type="radio"/> 2022	Grand Total	110,844	1,550,313	1,552,159	1,544,377	1,548,949	\$1,153
<input type="radio"/> 2021	Manufacturing	4,262	225,083	224,627	225,339	225,016	\$1,444
<input type="radio"/> 2020	Health Care and Social Assistance	12,811	219,307	219,669	219,959	219,645	\$1,103
<input type="radio"/> 2019	Retail Trade	11,261	173,220	176,648	177,567	175,812	\$658
<input type="radio"/> 2018	Educational Services	3,009	153,603	154,764	153,989	154,119	\$981
<input type="radio"/> 2017	Accommodation and Food Services	7,305	117,912	117,104	115,955	116,990	\$414
<input type="radio"/> 2016	Finance and Insurance	7,380	93,670	93,632	93,622	93,641	\$1,755
<input type="radio"/> 2015	Construction	9,792	86,527	85,502	80,542	84,190	\$1,416
<input type="radio"/> 2014	Transportation and Warehousing	5,078	74,016	75,636	76,185	75,279	\$1,087
<input type="radio"/> 2013	Admin Support & Waste Management	6,215	68,744	68,015	66,254	67,671	\$942
<input type="radio"/> 2012	Wholesale Trade	7,737	67,092	67,408	67,120	67,207	\$1,675
<input type="radio"/> 2011	Public Administration	3,043	65,918	65,725	66,270	65,971	\$1,170
	Professional, Scientific, and Technical Services	12,073	55,829	56,007	55,987	55,941	\$1,812
	Other Services (except Public Administration)	7,665	39,462	39,466	39,516	39,481	\$892
	Management of Companies and Enterprises	1,595	24,663	24,798	24,869	24,777	\$2,243
	Agriculture, Forestry, Fishing and Hunting	2,752	21,021	20,333	19,966	20,440	\$1,061
	Information	2,584	19,442	19,479	19,349	19,423	\$1,414
	Arts, Entertainment, and Recreation	1,557	20,222	18,726	17,368	18,772	\$467
	Real Estate and Rental and Leasing	3,917	15,018	15,080	14,984	15,027	\$1,170
	Utilities	606	7,254	7,258	7,301	7,271	\$1,886
	Mining, Quarrying, and Oil and Gas Extraction	202	2,310	2,282	2,235	2,276	\$1,398

Please note: sectors without data are not disclosable.

Table 2 shows a different view of Iowa Employment by Sector.

Iowa Employment by Sector, 2022 Quarter 4 (Shade is Determined by the Average Weekly Wage)



The database is searchable by county and sector. To view your county, click [here](#) and find your county in the drop down menu. To view a map analysis by county and sector click [here](#).

(Info from Iowa Workforce Development Labor Market Information Division)

(Contact: Kristin Rozeboom 1-3015)



## Public Safety

### Child ID Kits Available in Iowa

Iowa Attorney General Brenna Bird has announced a partnership with the National Child Identification Program. The program provides families with child ID kits to help law enforcement identify and find a missing child.

According to the Attorney General, there are 150 missing children in Iowa today. Having these kits at home will give law enforcement 90% of the information they need to start looking for a missing child.

Alliant Energy and MidAmerican Energy have agreed to cover the cost of 456,000 kits for Iowa families. This will allow every student in K-12 to receive a kit to bring home in the next two months.

The National Child Identification Program provides parents with the ability to collect and store information about their children, at their home. The kit includes an inkless fingerprint card, a cheek swab for DNA, and a simple way to record physical characteristics about the child. All of this information remains at home with the parents and can easily be turned over to law enforcement if needed.

In 2022, the National Child ID Program distributed over 10 million kits to families across the country. For more information on the kits, please visit <https://childidprogram.com/>

*(Contact: Amanda Wille, 1-5230)*

## State Government

### Gubernatorial Line of Succession Amendment Heading to the Voters

This week [House Joint Resolution 3](#) was sent to the Secretary of State's office in preparation for consideration by the voters of Iowa. HJR 3 is a proposed Constitutional amendment to clarify and update the line of succession for the office of governor. Article IV, Section 17 of the Iowa Constitution says that in the case there is a vacancy in the office of governor, that the powers and duties of the governor devolve upon the lieutenant governor. Following the appointment of Governor Branstad as the ambassador to China there has been legal debate over the line of gubernatorial succession and what that means for filling vacancies and powers of the offices.

In 2009, when Democrats controlled both chambers of the legislature and the governor's office, they amended Iowa Code to say that "An appointment by the governor to fill a vacancy in the office of lieutenant governor shall be for the balance of the unexpired term." However, in 2017 when Governor Branstad resigned, Iowa Attorney General Tom Miller issued a legal opinion that Kim Reynolds would assume the powers and duties of governor, but she did not have the authority to appoint a new lieutenant governor. In 2018, Governor Reynolds won her election with appointed Lt. Governor Adam Gregg.

Addressing this legal issue is important for Iowans to know that in the case of a vacancy in the office of governor what the legal line of succession is. HJR 3 would replace and update Section 17 to clarify that the lieutenant governor or lieutenant governor-elect assumes the office if a vacancy occurs. This then creates a vacancy in the office of lieutenant governor or lieutenant governor-elect, which can be filled by the new Governor.

Amendments to the Iowa Constitution are required to pass both legislative chambers in consecutive general assemblies. Following the passage of HJR3, the proposed amendment language will be prepared for public notices and to transmit it to each county auditor for inclusion on the ballot in November 2024. In accordance with Iowa Code, the

proposed constitutional amendment shall be published once a month in two newspapers of general circulation in each congressional district for three months before the election.

*(Contact: Jason Covey 1-3626)*

## Transportation

### Transportation Appropriations Bill Begins Moving

The Fiscal Year 2024 Transportation Appropriations bill started its journey through the budgeting process this week as the Senate passed the bill. Senate File 576 proposed to spend \$446.5 million over the next year for operations of the Department of Transportation. This is a \$26.9 million increase in spending for FY 2024.

Most line items within the Department's budget will stay the same in the next year. Funding for the Highway Division is reduced slightly, as spending on maintaining and replacing DOT vehicles and equipment increased by \$11 million. The increase is being driven by rising costs for replacement vehicles and parts. The budget does address the backlog on Commercial Driver's Licenses, by moving positions and funding to help reduce the wait times. The biggest change is the move of Motor Vehicle Enforcement to the Department of Public Safety, as is proposed in Senate File 513.

The Department continues with its plan to renovate or replace at least one garage annually. This year, the project to be addressed will be the Davenport facility. This is a multi-structure facility currently, with a maintenance garage and regional offices for the Department. The new facility will bring all these into one structure, with garage space capable of fitting today's larger vehicles.

Senate File 576 is now in the House Appropriations Committee, awaiting further action.

*(Contact: Brad Trow 1-3471)*

## Veterans Affairs

### House Budget Provides Increase to Veterans Home Ownership

The Iowa House and Senate recently released joint budget agreements for the House Health and Human Services Budget, which includes the appropriations for the Department of Veterans Affairs.

The agreement provides a \$200,000 increase to the Veterans Home Ownership Assistance Program. This program provides a \$5,000 grant to service members for a down payment and closing costs toward the purchase of a new home in Iowa. The home must be a primary residence and it is a once-in-a-lifetime grant.

The current appropriation is for \$2 million, and this increase will provide assistance to an additional 40 veterans annually.

*(Contact: Natalie Ginty 5-2063)*

### Cutting Taxes for Our County Fairs

Iowa is definitely a state that loves its fairs. Last week the House passed House File 681 unanimously. The bill creates a sales tax exemption for purchases by a county fair organized under Iowa Code Chapter 174.

Current law provides that county fairs do not charge patrons sales tax on purchases. However, county fairs do have to pay sales tax on the purchases they make. House File 681 exempts a county fair from paying sales tax on all purchases of tangible personal property, specified digital products, or services. Anecdotally, some county fairs currently do not have to pay this sales tax because of their tax structure—but this would put all county fairs on a level playing field.

House File 681 is assigned to a subcommittee in the Senate but does not appear to be a priority as the 2023 session winds down.

*(Contact: Kristi Kiious, 2-5290)*