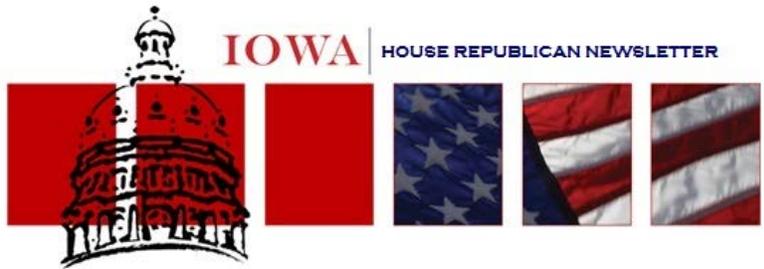


Iowa House of Representatives  
*State Representative*

**Guy Vander Linden**

Address: State Capitol, Des Moines, IA 50319  
Phone: 515-282-6433  
E-Mail: [guy.vander.linden@legis.iowa.gov](mailto:guy.vander.linden@legis.iowa.gov)  
Website: [www.guyvanderlinden.com](http://www.guyvanderlinden.com)



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## **Sales Tax Exemption on Textbooks Clears House Committee**

House Study Bill 683 provides a sales tax exemption for college textbooks starting this July. The bill exempts *instructional materials* and requires that those materials be required for a class at a post-secondary institution located in Iowa. The bill defines *instructional materials* as books, textbooks, and other course materials, whether in printed form or another tangible storage media. This means if the book is in the form of a download it would be tax exempt as well.

The estimated fiscal impact of House Study Bill 683 is a loss of general fund revenue somewhere between \$1 million and \$5 million per fiscal year according to the Legislative Services Agency.

House Study Bill received unanimous support by a vote of 23-0 and will now move to the House floor for further consideration.

House File 2463 will now move to the Senate for further consideration.

## **Public Hearing on Governor's Tax Proposal**

This week the House Ways and Means Committee listened to comments from the general public in a hearing held on Monday night in the old Supreme Court chamber. The hearing was on House Study Bill 671—the Governor's tax reform proposal.

The bill proposes to cut individual income taxes starting next year by reducing rates and increasing the standard deduction. It also couples with provisions in federal tax code related to 529 plans and teacher education expenses. The Governor's proposal includes future tax rate cuts that are tied to revenue triggers and the phasing out of federal deductibility.

House Study Bill 671 also proposes to modernize the sales tax code and tax things like ride sharing, online marketplaces, and subscription and streaming services.

The public hearing attracted speakers on different parts of the bill—but an overwhelming amount of comments came from people representing banks and credit unions. Neither one of those groups were directly affected by the proposal, but numerous showed up to give comments.

House Study Bill 671 is awaiting amendment and consideration by the full House Ways and Means Committee.