

# Senate File 2330 - Enrolled

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1 1 SENATE FILE 2330  
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1 3 AN ACT  
1 4 PROHIBITING MONITOR VENDING MACHINES AND PROVIDING AN EXCISE  
1 5 TAX AND AN EFFECTIVE DATE.  
1 6  
1 7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
1 8  
1 9 Section 1. Section 99G.3, subsection 7, Code 2005, is  
1 10 amended to read as follows:  
1 11 7. "Lottery", "lotteries", "lottery game", "lottery games"  
1 12 or "lottery products" means any game of chance approved by the  
1 13 board and operated pursuant to this chapter and games using  
1 14 mechanical or electronic devices, provided that the authority  
1 15 shall not authorize a monitor vending machine or a player=  
1 16 activated gaming machine that utilizes an internal randomizer  
1 17 to determine winning and nonwinning plays and that upon random  
1 18 internal selection of a winning play dispenses coins,  
1 19 currency, or a ticket, credit, or token to the player that is  
1 20 redeemable for cash or a prize, and excluding gambling or  
1 21 gaming conducted pursuant to chapter 99B, 99D, or 99F.  
1 22 Sec. 2. Section 99G.3, Code 2005, is amended by adding the  
1 23 following new subsection:  
1 24 NEW SUBSECTION. 8A. "Monitor vending machine" means a  
1 25 machine or other similar electronic device that includes a  
1 26 video monitor and audio capabilities that dispenses to a  
1 27 purchaser lottery tickets that have been determined to be  
1 28 winning or losing tickets by a predetermined pool drawing  
1 29 machine prior to the dispensing of the tickets.  
1 30 Sec. 3. NEW SECTION. 99G.30A MONITOR VENDING MACHINE ==  
1 31 TAX IMPOSED.  
1 32 1. If revenues are generated from monitor vending machines  
1 33 on or after forty=five days following the effective date of  
1 34 this Act, then there shall be a monitor vending machine excise  
1 35 tax imposed on net monitor vending machine revenue receipts at

2 1 the rate of sixty=five percent.

2 2 2. a. The director of revenue shall administer the  
2 3 monitor vending machine excise tax as nearly as possible in  
2 4 conjunction with the administration of state sales tax laws.  
2 5 The director shall provide appropriate forms or provide  
2 6 appropriate entries on the regular state tax forms for  
2 7 reporting local sales and services tax liability.

2 8 b. All powers and requirements of the director to  
2 9 administer the state sales and use tax law are applicable to  
2 10 the administration of the monitor vending machine excise tax,  
2 11 including but not limited to the provisions of section 422.25,  
2 12 subsection 4, sections 422.30, 422.67, and 422.68, section  
2 13 422.69, subsection 1, sections 422.70 to 422.75, section  
2 14 423.14, subsection 1 and subsection 2, paragraphs "b" through  
2 15 "e", and sections 423.15, 423.23, 423.24, 423.25, 423.31 to  
2 16 423.35, 423.37 to 423.42, 423.46, and 423.47.

2 17 c. Frequency of deposits and quarterly reports of the  
2 18 monitor vending machine excise tax with the department of  
2 19 revenue are governed by the tax provisions in section 423.31.  
2 20 Monitor vending machine excise tax collections shall not be  
2 21 included in computation of the total tax to determine  
2 22 frequency of filing under section 423.31.

2 23 3. For purposes of this section, "net monitor vending  
2 24 machine revenue receipts" means the gross receipts received  
2 25 from monitor vending machines less prizes awarded.

2 26 Sec. 4. TRANSITION PROVISIONS == MONITOR VENDING MACHINES.  
2 27 Notwithstanding any provision of section 99G.3, as amended by  
2 28 this Act, to the contrary, a retailer that has acquired a  
2 29 monitor vending machine prior to the effective date of this  
2 30 Act shall be allowed to offer the machine to the public for  
2 31 only forty=five days following the effective date of this Act.  
2 32 On or after forty=five days following the effective date of  
2 33 this Act, a retailer shall not make a monitor vending machine  
2 34 available to the public.

2 35 Sec. 5. EFFECTIVE DATE. This Act, being deemed of

3 1 immediate importance, takes effect upon enactment.

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JOHN P. KIBBIE

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President of the Senate

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CHRISTOPHER C. RANTS

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Speaker of the House

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3 13 I hereby certify that this bill originated in the Senate and  
3 14 is known as Senate File 2330, Eighty-first General Assembly.

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MICHAEL E. MARSHALL

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Secretary of the Senate

3 20 Approved \_\_\_\_\_, 2006

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3 24 THOMAS J. VILSACK

3 25 Governor