

423.1 Definitions.

The following words, terms, and phrases when used in this chapter shall have the meanings ascribed to them in this section:

1. "*Certificate of title*" means a certificate of title issued for a vehicle or for manufactured housing under chapter 321.
2. "*Department*" and "*director*" shall have the same meaning as defined in section 422.3.
3. "*Installed purchase price*" is the amount charged, valued in money whether paid in money or otherwise, by a building contractor to convert manufactured housing from tangible personal property into realty. "*Installed purchase price*" includes, but is not limited to, amounts charged for installing a foundation and electrical and plumbing hookups. "*Installed purchase price*" excludes any amount charged for landscaping in connection with the conversion.
4. "*Manufactured housing*"* means the same as defined in section 321.1.
5. "*Mobile home*"* means mobile home as defined in section 321.1, subsection 36C, paragraph "a".
6. "*Person*" and "*taxpayer*" shall have the same meaning as defined in section 422.42.
7. "*Purchase*" means any transfer, exchange, or barter, conditional or otherwise, in any manner or by any means whatsoever, for a consideration.
8. "*Purchase price*" means the total amount for which tangible personal property is sold, valued in money, whether paid in money or otherwise; provided:
 - a. That cash discounts taken on sales are not included. A cash rebate which is provided by a motor vehicle manufacturer to the purchaser of a vehicle subject to registration shall not be included so long as the rebate is applied to the purchase price of the vehicle.
 - b. That in transactions, except those subject to paragraph "c", in which tangible personal property is traded toward the purchase price of other tangible personal property the purchase price is only that portion of the purchase price which is payable in money to the retailer if the following conditions are met:
 - (1) The tangible personal property traded to the retailer is the type of property normally sold in the regular course of the retailer's business.
 - (2) The tangible personal property traded to the retailer is intended by the retailer to be ultimately sold at retail or is intended to be used by the retailer or another in the remanufacturing of a like item.
 - c. That in transactions between persons, neither of which is a retailer of vehicles subject to registration, in which a vehicle subject to registration is traded toward the purchase price of another vehicle subject to registration, the purchase price is only that portion of the purchase price represented by the difference between the total purchase price of the vehicle subject to registration acquired and the amount of the vehicle subject to registration traded.
9. "*Retailer*" means and includes every person engaged in the business of selling tangible personal property or services enumerated in section 422.43 for use within the meaning of this chapter. However, when in the opinion of the director it is necessary for the efficient administration of this chapter to regard any salespersons, representatives, truckers, peddlers, or canvassers as the agents of the dealers, distributors, supervisors, employers, or persons under whom they operate or from whom they obtain the tangible personal

property sold by them, irrespective of whether they are making sales on their own behalf or on behalf of those dealers, distributors, supervisors, employers, or persons, the director may regard them and the dealers, distributors, supervisors, employers, or persons as retailers for purposes of this chapter.

10. *"Retailer maintaining a place of business in this state"* or any like term includes any retailer having or maintaining within this state, directly or by a subsidiary, tangible personal property leased to a lessee of the retailer, an office, distribution house, sales house, warehouse, or other place of business, or any representative operating within this state under the authority of the retailer or its subsidiary, irrespective of whether that place of business or representative is located here permanently or temporarily, or whether the retailer or subsidiary is admitted to do business within this state pursuant to chapter 490.

11. *"Street railways"* shall mean and include urban transportation systems.

12. *"Tangible personal property"* means tangible goods, wares, merchandise, optional service or warranty contracts, except residential service contracts regulated under chapter 523C, vulcanizing, recapping, or retreading services, engraving, photography, retouching, printing, or binding services, and gas, electricity, water, and communication service when furnished or delivered to consumers or users within this state.

13. *"Tangible personal property"* does not include the substance of a transaction that is delivered to the purchaser digitally, electronically, or utilizing cable, or by radio waves, microwaves, satellites, or fiber optics.

14. *"Trailer"* shall mean every trailer, as is now or may be hereafter so defined by the motor vehicle law of this state, which is required to be registered or is subject only to the issuance of a certificate of title under such motor vehicle law.

15. *"Use"* means and includes the exercise by any person of any right or power over tangible personal property incident to the ownership of that property, except that it shall not include processing, or the sale of that property in the regular course of business. Property used in *"processing"* within the meaning of this subsection shall mean and include any of the following:

a. Any tangible personal property including containers which it is intended shall, by means of fabrication, compounding, manufacturing, or germination, become an integral part of other tangible personal property intended to be sold ultimately at retail, and containers used in the collection, recovery or return of empty beverage containers subject to chapter 455C.

b. Fuel which is consumed in creating power, heat, or steam for processing or for generating electric current.

c. Chemicals, solvents, sorbents, or reagents, which are directly used and are consumed, dissipated, or depleted in processing personal property, which is intended to be sold ultimately at retail, and which may not become a component or integral part of the finished product.

The distribution to the public of free newspapers or shoppers guides shall be deemed a retail sale for purposes of the processing exemption. A retailer's or building contractor's sale of manufactured housing* for use in this state, whether in the form of tangible personal property or of realty, is a use of that property for the purposes of this chapter.

16. *"Vehicles subject to registration"* means any vehicle subject to registration pursuant to section 321.18.

17. Definitions contained in section 422.42 shall apply to this chapter according to their context. The use in this state of building materials, supplies, or equipment, the sale or use of which is not treated as a retail sale or a sale at retail under section 422.42, subsections 16 and 17, shall not be subject to tax under this chapter.

[C39, § **6943.102**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, § 423.1; 82 Acts, ch 1019, § 2, ch 1225, § 1, ch 1251, § 21, 22, 28]

83 Acts, ch 158, § 2; 84 Acts, ch 1140, § 3; 84 Acts, ch 1254, § 3; 85 Acts, ch 32, § 101; 85 Acts, ch 231, § 18; 86 Acts, ch 1246, § 31; 87 Acts, ch 214, § 10, 11; 88 Acts, ch 1206, §1; 93 Acts, ch 126, §2; 94 Acts, ch 1107, §28; 95 Acts, ch 83, §14; 95 Acts, ch 187, §2; 97 Acts, ch 158, §24; 99 Acts, ch 188, §1719; 2000 Acts, ch 1195, §4, 7; 2001 Acts, ch 150, §5, 6; 2002 Acts, ch 1161, §3, 5

*Definitions of "manufactured housing" and "mobile home" changed to "manufactured home" and "manufactured or mobile home" in 2001 Acts, ch 153, §15, 17; 2001 Acts, ch 176, §80

Subsection 13 takes effect May 16, 2000, and applies retroactively to March 15, 1995; 2000 Acts, ch 1195, §7