

**15.331A Sales and use tax refund.**

1. The eligible business shall be entitled to a refund of the sales and use taxes paid under [chapter 423](#) for gas, electricity, water, or sewer utility services, tangible personal property, or on services rendered, furnished, or performed to or for a contractor or subcontractor and used in the fulfillment of a written contract relating to the construction or equipping of a facility that is part of a project of the eligible business. Taxes attributable to intangible property and furniture and furnishings shall not be refunded. However, an eligible business shall be entitled to a refund for taxes attributable to racks, shelving, and conveyor equipment to be used in a warehouse or distribution center subject to [section 15.331C](#).

2. To receive the refund, a claim shall be filed by the eligible business with the department of revenue as follows:

a. The contractor or subcontractor shall state under oath, on forms provided by the department of revenue, the amount of the sales of tangible personal property or services rendered, furnished, or performed including water, sewer, gas, and electric utility services upon which sales or use tax has been paid prior to the project completion, and shall file the forms with the eligible business before final settlement is made.

b. The eligible business shall, not more than one year after project completion, make application to the department of revenue for any refund of the amount of the sales and use taxes paid pursuant to [chapter 423](#) upon any tangible personal property, or services rendered, furnished, or performed, including water, sewer, gas, and electric utility services. The application shall be made in the manner and upon forms to be provided by the department of revenue, and the department of revenue shall audit the claim and, if approved, issue a warrant to the eligible business in the amount of the sales or use tax which has been paid to the state of Iowa under a contract. A claim filed by the eligible business in accordance with [this section](#) shall not be denied by reason of a limitation provision set forth in [chapter 421](#) or [423](#).

c. The eligible business shall inform the department of revenue in writing after project completion. For purposes of [this section](#), “*project completion*” means the first date upon which the average annualized production of finished product for the preceding ninety-day period at the manufacturing facility operated by the eligible business is at least fifty percent of the initial design capacity of the facility.

3. A contractor or subcontractor who willfully makes a false report of tax paid under the provisions of [this section](#) is guilty of a simple misdemeanor and in addition is liable for the payment of the tax and any applicable penalty and interest.

96 Acts, ch 1199, §2; 2001 Acts, ch 116, §1; 2003 Acts, ch 145, §286; 2003 Acts, 1st Ex, ch 2, §152, 205; 2004 Acts, ch 1003, §2, 12; 2005 Acts, ch 150, §46, 68, 69; 2008 Acts, ch 1031, §79; 2008 Acts, ch 1032, §123; 2009 Acts, ch 123, §14; 2012 Acts, ch 1021, §16; 2014 Acts, ch 1130, §4, 11; 2021 Acts, ch 86, §46, 47, 83 – 85

Referred to in §8G.3, 15.119, 15.331C, 15.335A, 15.355

For aggregate limitations on amount of tax credits, see §15.119

2021 amendment to subsection 2, paragraph c applies to refund claims filed on or after May 10, 2021; 2021 Acts, ch 86, §85

Subsection 1 amended

Subsection 2, paragraphs a, b, and c amended