

422.34A Exempt activities of foreign corporations.

A foreign corporation shall not be considered doing business in this state or deriving income from sources within this state for the purposes of [this subchapter](#) by reason of carrying on in this state one or more of the following activities:

1. Holding meetings of the board of directors or shareholders or holiday parties or employee appreciation dinners.
2. Maintaining bank accounts.
3. Borrowing money, with or without security.
4. Utilizing Iowa courts for litigation.
5. Owning and controlling a subsidiary corporation which is incorporated in or which is transacting business within this state where the holding or parent company has no physical presence in the state as that presence relates to the ownership or control of the subsidiary.
6. Recruiting personnel where hiring occurs outside the state.
7. Training employees or educating employees, or using facilities in Iowa for this purpose.
8. Utilizing a distribution facility within this state, owning or leasing property at a distribution facility within this state that is used at or distributed from the distribution facility, or selling property shipped or distributed from a distribution facility. For purposes of [this subsection](#), “*distribution facility*” means an establishment where shipments of tangible personal property are processed for delivery to customers. “*Distribution facility*” does not include an establishment where retail sales of tangible personal property or returns of such property are undertaken with respect to retail customers on more than twelve days a year except for a distribution facility which processes customer sales orders by mail, telephone, or electronic means, if the distribution facility also processes shipments of tangible personal property to customers provided that not more than ten percent of the dollar amount of goods are delivered and shipped so as to be included in the gross sales of the corporation within this state as provided in [section 422.33, subsection 2](#), paragraph “a”, subparagraph (2), subparagraph division (h).

[96 Acts, ch 1123, §1, 2](#); [97 Acts, ch 46, §1, 2](#); [2006 Acts, ch 1179, §58, 66](#); [2014 Acts, ch 1026, §140](#); [2020 Acts, ch 1062, §94](#)