

**423.48 Responsibilities and rights of sellers registered under the agreement.**

1. By registering under the agreement, the seller agrees to collect and remit sales and use taxes for all its taxable Iowa sales. Iowa's withdrawal from the agreement or revocation of its membership in the agreement shall not relieve a seller from its responsibility to remit taxes previously collected on behalf of this state.

2. The following provisions apply to any seller who registers under the agreement:

- a. The seller may register on-line.
- b. Registration under the agreement and the collection of Iowa sales and use taxes shall not be used as factors in determining whether the seller has nexus with Iowa for any tax.
- c. The seller is not required to pay registration fees or other charges.
- d. A written signature from the seller is not required.
- e. The seller may register by way of an agent. The agent's appointment shall be in writing and submitted to the department if requested by the department.
- f. The seller may cancel its registration at any time under procedures adopted by the governing board established pursuant to the agreement. Cancellation does not relieve the seller of its liability for remitting any Iowa taxes collected.

g. Upon the registration of a seller, the department shall provide to the seller information regarding the options available for the filing of returns and remittances. Such information shall include information on the requirements of filing simplified electronic returns and remittances.

3. The following additional responsibilities and rights apply to model sellers:

a. A model 1 seller's obligation to calculate, collect, and remit sales and use taxes shall be performed by its certified service provider, except for the seller's obligation to remit tax on its own purchases. As the seller's agent, the certified service provider is liable for its model 1 seller's sales and use tax due Iowa on all sales transactions it processes for the seller except as set out in [this section](#). A seller that contracts with a certified service provider is not liable to the state for sales or use tax due on transactions processed by the certified service provider unless the certified service provider establishes that the certified service provider is not liable in accordance with the agreement. In the absence of liability relief established by the certified service provider, the seller is not subject to audit on the transactions processed by the certified service provider. A model 1 seller is subject to audit for transactions not processed by the certified service provider. The director is authorized to perform a system check of the model 1 seller and review the seller's procedures to determine if the certified service provider's system is functioning properly and the extent to which the seller's transactions are being processed by the certified service provider.

b. A model 2 seller shall calculate the amount of tax due on a transaction by the use of a certified automated system, but shall collect and remit tax on its own sales. A person that provides a certified automated system is responsible for the proper functioning of that system and is liable to this state for underpayments of tax attributable to errors in the functioning of the certified automated system. A seller that uses a certified automated system remains responsible and is liable to the state for reporting and remitting tax.

c. A model 3 seller shall use its own proprietary automated system to calculate tax due and collect and remit tax on its own sales. A model 3 seller is liable for the failure of its proprietary automated system to meet the applicable performance standard.

d. A model 2, model 3, or model 4 seller making no sales sourced in the state in the preceding twelve months may elect to be registered in the state as a seller that anticipates making no sales sourced in the state. Making such an election shall not relieve the seller of the obligation to collect and remit sales or use taxes on sales sourced in the state.

4. The provisions of [this section](#) shall not be construed to relieve a seller of the obligation to register in the state if required to do so, and to collect and remit sales or use taxes for at

least thirty-six months and to meet any other requirements necessary for amnesty in Iowa under the terms of an agreement as provided in section [423.54](#).

[2003 Acts, 1st Ex, ch 2, §141, 205](#); [2010 Acts, ch 1145, §12 – 14, 17](#); [2019 Acts, ch 152, §30](#);  
[2022 Acts, ch 1138, §52](#)

Referred to in [§423.49](#)

Subsection 3, paragraph a amended