

**15.495 Sales and use tax refund.**

1. An eligible business that has been issued a tax incentive certificate under the program shall be entitled to a refund of the sales and use taxes paid under [chapter 423](#) for gas, electricity, water, and 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 for the construction or equipping of a facility that is part of the eligible business's project. Taxes attributable to intangible property and furniture and furnishings shall not be refunded.

2. To receive the sales and use tax refund, the eligible business shall file a claim 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 during the period for which the refund is claimed, and shall submit the forms to the eligible business before contract completion.

b. The eligible business shall, no more frequently than quarterly, submit an application to the department of revenue for a 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 submitted in the form and manner prescribed by the department of revenue. The department of revenue shall audit the application and, if approved, issue a warrant or warrants to the eligible business in the amount of the sales or use tax which has been paid to the state of Iowa under [subsection 1](#). The eligible business's application must be submitted to the department of revenue within one year after the project completion date. An application filed by the eligible business in accordance with [this section](#) shall not be denied by reason of a time limitation for filing a refund claim set forth in [section 423.47](#).

c. The refund shall be remitted by the department of revenue to the eligible business as soon as practicable after completion of an audit pursuant to paragraph "b". Interest shall not accrue on any part of the refund that has not yet been remitted by the department of revenue to the eligible business.

3. A contractor or subcontractor that willfully makes a false report of tax paid under [this section](#) is guilty of an aggravated misdemeanor, and shall be liable for payment of the tax and any applicable penalty and interest.

[2024 Acts, ch 1090, §7, 15; 2025 Acts, ch 136, §132](#)

Subsection 2 amended