

CHAPTER 241
EXCISE TAXES NOT GOVERNED BY THE STREAMLINED SALES AND
USE TAX AGREEMENT

701—241.1(423A,423D) Purpose of the chapter. This chapter sets out the excise taxes the collection of which is governed in all aspects by the provisions of Iowa Code chapter 423 except that portion of the chapter which implements the streamlined sales and use tax agreement.

701—241.2(423A,423D) Director's administration. The director of revenue shall administer the excise taxes set out in this chapter as nearly as possible in conjunction with the administration of the state sales and use tax law, except that portion of the law which implements the streamlined sales and use tax agreement. The director shall provide appropriate forms, or provide on the regular state tax forms, for reporting the sale and use of excise tax liability. All moneys received shall be deposited in or all refunds shall be withdrawn from the general fund of the state. The director may require all persons who are engaged in the business of deriving any sales price or purchase price subject to tax under this chapter to register with the department. The director may also require a tax permit applicable only to taxes imposed under this chapter for any retailer not collecting, or any user not paying, taxes under Iowa Code chapter 423.

Iowa Code section 422.25, subsection 4; sections 422.30, 422.67, and 422.68; section 422.69, subsection 1; sections 422.70, 422.71, 422.72, 422.74, and 422.75; section 423.14, subsection 1; and sections 423.23, 423.24, 423.25, 423.31 to 423.35, 423.37 to 423.42, and 423.47, consistent with the provisions of this chapter, apply with respect to the excise taxes authorized under this chapter, in the same manner and with the same effect as if those excise taxes were retail sales taxes within the meaning of those statutes. Notwithstanding this paragraph, the director shall provide for quarterly filing of returns and for other than quarterly filing of returns both as prescribed in Iowa Code section 423.31. All taxes collected under this chapter by a retailer or any user are deemed to be held in trust for the state of Iowa.

DIVISION I
STATE-IMPOSED HOTEL AND MOTEL TAX
[Prior to 12/17/86, Revenue Department[730]]

Rescinded **ARC 4192C**, IAB 12/19/18, effective 1/23/19; see 701—Chapter 103

701—241.3 to 241.5 Reserved.

DIVISION II
EXCISE TAX ON SPECIFIC CONSTRUCTION MACHINERY AND EQUIPMENT

701—241.6(423D) Definitions. For the purposes of this division, unless the context otherwise requires: “*Construction*” means new construction, reconstruction, alterations, expansion, or remodeling of real property or structures.

“*Contractor*” includes contractors, subcontractors, and builders, but not owners.

“*Department*” means the department of revenue.

“*Equipment*” means self-propelled building equipment, pile drivers, and motorized scaffolding, including auxiliary attachments which improve the performance, safety, operation, or efficiency of the equipment, and replacement parts and are directly and primarily used by contractors, subcontractors, and builders for new construction, reconstruction, alterations, expansion, or remodeling of real property or structures.

“*Sales price*” or “*purchase price*” means the same as these terms are defined in rule 701—211.1(423).

For the purposes of this division, all other words and phrases used in this division and defined in rule 701—211.1(423) have the meaning set forth in that rule.

701—241.7(423D) Tax imposed. A tax of 5 percent is imposed on the sales price or purchase price of all equipment sold or used in the state of Iowa. This tax shall be collected and paid over to the department

by any retailer, retailer maintaining a place of business in this state, or user who would be responsible for collection and payment of the tax if it were a sales or use tax imposed under Iowa Code chapter 423.

701—241.8(423D) Exemption.

241.8(1) The sales price on the lease or rental of equipment to contractors for direct and primary use in construction is exempt from the tax imposed by this chapter.

241.8(2) On or after January 1, 2016, see 701—Chapter 242 for an exemption on the sales price or purchase price of equipment purchased outside Iowa and brought into Iowa to aid in the performance of disaster or emergency-related work during a disaster response period as those terms are defined in Iowa Code section 29C.24.

[ARC 3085C, IAB 5/24/17, effective 6/28/17]

This division is intended to implement 2005 Iowa Code Supplement chapter 423D.

[Filed 5/5/06, Notice 3/29/06—published 5/24/06, effective 6/28/06]

[Filed ARC 9434B (Notice ARC 9339B, IAB 1/26/11), IAB 3/23/11, effective 4/27/11]

[Filed ARC 3085C (Notice ARC 2942C, IAB 2/15/17), IAB 5/24/17, effective 6/28/17]

[Filed ARC 4195C (Notice ARC 4024C, IAB 9/26/18), IAB 12/19/18, effective 1/23/19]