

CHAPTER 218  
SERVICES RELATED TO VEHICLES

**701—218.1(423) Armored car.** Persons engaged in the business of either providing armored car service to others or converting a vehicle into an armored car are selling a service subject to sales tax. For purposes of this rule, “armored car” means a wheeled vehicle affording defensive protection by use of a metal covering or other elements of ordinance.

This rule is intended to implement Iowa Code section 423.2(6) “b.”  
[ARC 6704C, IAB 11/30/22, effective 1/4/23]

**701—218.2(423) Vehicle repair.**

**218.2(1) In general.** Persons engaged in the business of repairing vehicles are selling a service subject to sales tax. Rule 701—225.4(423) contains more information on purchases made by auto body shops.

**218.2(2) Definitions.** For purposes of this rule:

“Repair” includes any type of restoration, renovation or replacement of any motor, engine, working parts, accessories, body, or interior of a vehicle. “Repair” does not include the installation of new parts or accessories, which are not replacements, added to a vehicle.

“Vehicle” means the same as defined in Iowa Code section 321.1(90).

**218.2(3) Disposal fees.** Fees charged with the disposal of any item in connection with the performance of this service is subject to sales tax if the disposal fee of the item is not separately contracted for or itemized in the billing of the repair service. If the disposal fee is itemized or separately contracted for, the disposal fee is not subject to sales tax. Items that may be subject to disposal fee include but are not limited to air filters, batteries, oil, or tires.

This rule is intended to implement Iowa Code section 423.2(6) “c.”  
[ARC 6704C, IAB 11/30/22, effective 1/4/23]

**701—218.3(423) Motorcycle, scooter, and bicycle repair.**

**218.3(1) In general.** Persons engaged in the business of repairing motorcycles, scooters, and bicycles are selling a service subject to sales tax.

**218.3(2) Definitions.** For purposes of this rule:

“Bicycle” includes human-powered bicycles and electric bicycles.

“Motorcycle” includes autocycles.

“Repair” means the same as defined in rule 701—211.1(423).

This rule is intended to implement Iowa Code section 423.2(6) “ag.”  
[ARC 6704C, IAB 11/30/22, effective 1/4/23]

**701—218.4(423) Battery, tire, and allied.**

**218.4(1) Batteries in general.** Persons engaged in the business of installing, repairing, maintaining, restoring, or recharging batteries and any services related to or connected therewith are selling a service subject to sales tax.

**218.4(2) Tires in general.** Persons engaged in the business of installing, repairing, or maintaining tires and any services related to or connected therewith are selling a service subject to sales tax.

**218.4(3) Disposal fees.** Disposal fees charged in connection with the performance of the services identified in this rule are subject to sales tax if the disposal fee is not itemized or separately contracted for in the billing for the charge of the service. If the disposal fee charged in connection with the performance of the services identified in this rule are itemized or separately contracted for, then the disposal fee is not subject to sales tax. Items that may be subject to disposal fee include but are not limited to air filters, oil, tires, and batteries.

This rule is intended to implement Iowa Code sections 423.2(6) “d” and 423.2(7) “a”(1).  
[ARC 6704C, IAB 11/30/22, effective 1/4/23]

**701—218.5(423) Boat repair.**

**218.5(1)** *In general.* Persons engaged in the business of repairing watercraft are selling a service subject to sales tax.

**218.5(2)** *Definitions.* For purposes of this rule:

“*Repair*” means the same as defined in rule 701—211.1(423).

“*Watercraft*” means the same as defined in Iowa Code section 462A.2.

This rule is intended to implement Iowa Code section 423.2(6) “*h.*”

[ARC 6704C, IAB 11/30/22, effective 1/4/23]

**701—218.6(423) Vehicle wash and wax.**

**218.6(1)** *In general.* Persons engaged in the business of vehicle washing and waxing are selling a service subject to sales tax, whether performed by hand, machine, or coin-operated device. Rule 701—225.7(423) contains more information on purchases of inputs in vehicle wash and wax services.

**218.6(2)** *Definition.* For purposes of this rule:

“*Vehicle*” means the same as defined in Iowa Code section 321.1(90).

This rule is intended to implement Iowa Code section 423.2(6) “*i.*”

[ARC 6704C, IAB 11/30/22, effective 1/4/23]

**701—218.7(423) Wrecker and towing.**

**218.7(1)** *In general.* Persons engaged in the business of towing any vehicle are selling a service subject to sales tax. Included in this are services charges for a person to travel to any place to lift, extricate, tow, or salvage a vehicle.

**218.7(2)** *Definitions.* For purposes of this rule:

“*Towing*” includes any means of pushing, pulling, carrying, or freeing any vehicle from mud, snow, or any other impediment, including any incidental hoisting. “*Towing*” does not include transporting operable vehicles from one location to another when no operative aspect of the vehicle is integral to the transporting.

“*Vehicle*” means the same as defined in Iowa Code section 321.1(90).

This rule is intended to implement Iowa Code sections 423.1(7) and 423.2(6) “*bn.*”

[ARC 6704C, IAB 11/30/22, effective 1/4/23]

**701—218.8(423) Flying service.**

**218.8(1)** *In general.* Persons engaged in the business of teaching a course of instruction in the art of operation and flying of an airplane, and instructions in repairing, renovating, reconditioning an airplane, or any other related service are selling a service subject to sales tax.

**218.8(2)** *Not included.* Flying services do not include those relating to agricultural aerial application, those relating to aerial commercial and chartered transportation services, and those services exempted by rule 701—211.2(423).

**218.8(3)** *Flight instruction charges.* Charges relating to flight instruction can be taxable or nontaxable. Taxable charges include but are not limited to the sales price for the following:

- a. Instructors’ services, ground instruction, and ground school.
- b. Students learning to fly with an instructor and dual flying.
- c. Rental of a plane. Rule 701—211.47(423) contains more information.

This rule is intended to implement Iowa Code section 423.2(6) “*s.*”

[ARC 6704C, IAB 11/30/22, effective 1/4/23]

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