

701—32.2(423) Sales tax exemptions applicable to use tax. When an exemption is allowed for sales tax purposes to any sale of tangible personal property the same shall apply for use tax, except for the exemptions provided in Iowa Code section 422.45, subsections 4 and 6, as they relate to vehicles subject to registration. On and after July 1, 2001, if any exemption from sales tax is allowed when a service is rendered, furnished, or performed, including the service of tangible personal property rental, the same exemption shall apply to any service subject to use tax.

This rule is intended to implement Iowa Code subsection 423.4(3) and subsection 423.4(4) as amended by 2001 Iowa Acts, House File 715.