

**701—32.5(423) Exemption for transactions if sales tax paid.** As of July 1, 1986, the use of tangible personal property is exempt from tax if the gross receipts from the sale of that property are subject to Iowa sales tax and if the sales tax has been paid either to a retailer or to the department. The exemption does not include vehicles subject to registration or subject only to the issuance of a certificate of title.

This rule is intended to implement Iowa Code subsection 423.4(1).