

**701—203.8(423) Payment from a third party.** The sales price from the sales of tangible personal property, services, or enumerated services includes consideration received by the seller from third parties.

The following conditions shall apply:

**203.8(1)** The seller actually receives consideration from a party other than the purchaser, and the consideration is directly related to a price reduction or discount on the sale;

**203.8(2)** The seller has an obligation to pass the price reduction or discount through to the purchaser;

**203.8(3)** The amount of the consideration attributable to the sale is fixed and determinable by the seller at the time of the sale of the item to the purchaser; and

**203.8(4)** One of the following criteria is met:

*a.* The purchaser presents a coupon, certificate or other documentation to the seller to claim a price reduction or discount where the coupon, certificate or documentation is authorized, distributed or granted by a third party with the understanding that the third party will reimburse any seller to whom the coupon, certificate or documentation is presented;

*b.* The purchaser self-identifies to the seller as a member of a group or organization entitled to a price reduction or discount (a “preferred customer” card that is available to any patron does not constitute membership in such a group); or

*c.* The price reduction or discount is identified as a third-party price reduction or discount on the invoice received by the purchaser or on a coupon, certificate or other documentation presented by the purchaser.

This rule is intended to implement Iowa Code chapter 423.

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