

**701—205.1(423) Definitions.** For purposes of this chapter, the following terms shall have the same definition as in Iowa Code section 423.1:

“*Agreement*” means the same as defined in Iowa Code section 423.1.

“*Department*” means the same as defined in Iowa Code section 423.1.

“*First use of a service*” means the same as defined in Iowa Code section 423.1.

“*First use of a service performed on tangible personal property*” means receiving, with the ability to use, whether or not actually used, the tangible personal property on which the taxable service was performed.

“*Governing board*” means the same as defined in Iowa Code section 423.1.

“*Receive*” or “*receipt*,” with regard to sales of services, means making “first use of services” pursuant to this chapter. For purposes of receipt of services performed on tangible personal property under rule 701—205.3(423), the location (or locations) where the purchaser (or the purchaser’s donee) regains possession or can potentially make first use of the tangible personal property on which the seller performed the service is the location (or locations) of the receipt of the service. The location where the seller performs the service is not determinative of the location where the purchaser receives the service. The terms “receive” and “receipt” do not include possession by a shipping company on behalf of the purchaser; this is treated as though the retailer delivered to the purchaser the tangible personal property on which the service was performed. When a shipping company delivers tangible personal property on which the service was performed, the service is deemed “received” where the shipping company delivers the tangible personal property to the purchaser. For the purposes of sales of personal care services, the location (or locations) where the service is performed on the purchaser (or the purchaser’s donee) is the location where the purchaser receives the service.

“*Retailer*” means the same as defined in Iowa Code section 423.1.

“*Seller*” means the same as defined in Iowa Code section 423.1.

[ARC 7620C, IAB 2/7/24, effective 3/13/24]