

**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 are 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 7716C, IAB 3/6/24, effective 4/10/24]