

701—219.18(423) Resale certificates. Whenever machinery and equipment that will remain tangible personal property after installation is purchased for a machinery and equipment contract by a contractor from a supplier, it should be purchased for resale. Rule 701—219.9(423) provides more information on this topic. Resale purchases are most commonly related to machinery and equipment sales contracts with installation and mixed construction contracts. Contractor-retailers and persons making repairs may also purchase materials for resale as long as they collect tax on their retail sales and pay the tax themselves on items withdrawn from inventory for use in the performance of a construction contract or a contract for reconstruction, alteration, expansion, or remodeling. Rule 701—219.4(423) and subrule 219.13(1) provide more information.

This rule is intended to implement Iowa Code section 423.45.

[ARC 8161C, IAB 7/24/24, effective 8/28/24]