

701—272.3(418) Sales tax increment calculation.

272.3(1) *Sales tax increment calculation formula.* The department will calculate quarterly the amount of the sales tax increment as described in Iowa Code section 418.11(2). To do so, the department will determine the base year for the flood mitigation project when the period for processing returns for the final quarter in the base year is complete.

272.3(2) *Sales considered within the calculation formula.* Only sales that are made by retail establishments in the area are taken into consideration when the sales subject to tax are determined. Sales otherwise sourced to the area are not considered in the calculation.

272.3(3) *Identification of retailers.* Each governmental entity that has established a project under Iowa Code chapter 418 must notify the department of retail establishments in the governmental entity's applicable area that are collecting sales tax as soon as possible. This process shall be ongoing until the governmental entity ceases to utilize sales tax revenue under Iowa Code chapter 418.

This rule is intended to implement Iowa Code sections 418.11 and 423.2A(2).

[ARC 8165C, IAB 7/24/24, effective 8/28/24]