

**701—275.3(423) Raceway facility sales tax rebate.** Qualifying rebates of Iowa state sales and use tax may be made to the owner or operator of a raceway facility that meets the requirements of Iowa Code section 423.4(11).

**275.3(1) Definitions.** For purposes of this rebate, unless further defined below, the terms used in this rule mean the same as defined in Iowa Code section 423.4(11). Additionally, “incurred date” means the date on which the payment for the project cost was made or the performance of the work that gave rise to the payment occurred, whichever is later.

**275.3(2) Retailer identification.**

*a. Identification of retailers.* The owner or operator shall provide the identity of all retailers at the raceway facility that will be collecting sales tax and provide the department with the sales tax permit number for each retailer. During the period in which rebates may be claimed, the owner or operator shall keep the information current.

*b. Notification to department.* The owner or operator shall notify the department within ten days of the termination or start-up of a retailer collecting sales tax at the raceway facility. For purposes of this subrule, termination occurs when the retailer provides notice to the owner or operator that the retailer will no longer collect sales tax at the raceway facility or after one calendar year expires since the retailer collected sales tax at the raceway facility.

*c. Verification by department.* The department shall verify the identity of a retailer collecting sales tax at the raceway facility before rebates are paid for sales made by that retailer.

**275.3(3) Project cost report and rebate form and filing requirements.** To request a rebate, the owner or operator must timely submit a project cost report and rebate request to the department on the authorized form, furnished by the department, in addition to the retailer sales report, as described in subrule 275.3(4). A properly completed rebate form shall contain the following:

*a. Documentation and information required.*

- (1) Invoices for project costs.
- (2) An explanation of how each cost meets the definition of “project costs.”
- (3) The date each cost was incurred and the date each cost was paid.

*b. Additional information.* The department may request any other additional information, from any person, necessary to verify the rebate.

*c. Sworn statement.* The department may require a sworn statement regarding the truthfulness and eligibility of the report.

*d. Filing frequency.* To be considered timely, the form and supporting documentation must be provided to the department within 90 days of the date the project cost was paid. Generally, this report is filed quarterly with the rebate request form; however, the project cost report may be filed more frequently if necessary to meet the 90-day filing requirement. Project cost reports and rebate forms will not be accepted on or after the earliest date provided in Iowa Code section 423.4(11) “g.”

**275.3(4) Raceway facility retailer sales report and filing requirements.** The owner or operator must submit a retailer sales report to the department on the authorized form furnished by the department. A properly completed form shall contain the following.

*a. Who may file the claim.* Rebate claims shall only be filed by the owner or operator. Claims filed under the name of an affiliated entity will be denied.

*b. Information regarding retailers making sales at the raceway facility.* Retailer information must include:

- (1) Business name,
- (2) Responsible party,
- (3) Federal employer identification number (FEIN), and
- (4) Sales tax permit number.

*c. Sales at the raceway facility.* Sales occurring at the raceway facility and sales tax collected on those sales must be reported. Only sales by retailers meeting the requirements of paragraph 275.3(4) “b” and Iowa Code section 423.4(11) that occur during the time period specified in Iowa Code section 423.4(11) “c”(3) are eligible for the rebate.

*d. Additional information.* The department may request any other additional information, from any person, necessary to verify the rebate.

*e. Sworn statement.* The department may require a sworn statement by the retailer and the owner or operator regarding the truthfulness and eligibility of the claim.

*f. Filing frequency.* The forms are due quarterly, on or before the last day of the month following the quarter in which the sales at the raceway facility took place.

**275.3(5) Sourcing of sales.**

*a. Generally.* In general, sales are considered to occur at the raceway facility if they occur within the boundaries of the raceway facility portion of the fairgrounds and are sourced to that raceway facility under Iowa Code section 423.15.

*b. Advance ticket and admissions sales.* Advance ticket and admissions sales shall be considered occurring at the raceway facility regardless of where the transactions actually occur. Consequently, the state sales tax and any applicable local option tax in effect for the jurisdiction in which the raceway facility is located must be imposed on the sales price of advance ticket and admissions sales.

**275.3(6) Local option sales tax.** Local option taxes imposed under Iowa Code chapter 423B are not eligible for rebate under this program.

This rule is intended to implement Iowa Code section 423.4(11).

[ARC 7625C, IAB 2/7/24, effective 3/13/24]