

**701—26.7(422) Investment counseling.** Persons engaged in the business of counseling others relative to investment in or disposition of property or rights, whether real, personal, tangible or intangible, where a charge is made for counseling, are rendering, furnishing or performing services, the gross receipts from which are subject to tax. Investment counseling does not include the mere management of a business or property. Where a retailer is rendering investment counseling services and also managerial services and the managerial services are not merely incidental to the investment counseling service, nor are the investment counseling services merely incidental to the managerial services and both are substantial and contracted for but neither is specifically identifiable, the tax shall apply to 50 percent of the total gross receipts therefrom.

Prior to July 1, 1987, the gross receipts from investment services rendered, furnished, or performed by trust departments were exempt from tax. On and after July 1, 1987, the gross receipts from investment counseling rendered, furnished, or performed by a trust department are subject to tax.

This rule is intended to implement Iowa Code section 422.43.