

701—26.9(422) Barber and beauty. Persons engaged in the business of hair cutting, hair styling, hair coloring, wig care, manicuring, pedicuring, applying facial and skin preparations, and all like activities which tend to enhance the appearance of the individual are rendering, furnishing, or performing a service, the gross receipts from which are subject to tax. Each “barber, beauty or other beautification shop or establishment” shall receive only one permit and remit tax as one enterprise, when operated under a common management.

When an operator leases space and is an independent operator, the lessee shall notify the department and secure a sales tax permit whereby the lessee will be responsible directly for the sales tax due. In order to be considered independent, the lessee must also be independent from the lessor for the purposes of withholding of income tax, unemployment compensation, and social security taxes.

The lessor who has leased a part of the premises shall report to the department the names and addresses of all lessees. If the lessor is accounting for the lessee’s sales, the lessor shall, after the name of each lessee, show the amount of net taxable sales made by the lessee on each report to the department, and which net taxable sales are included in the lessor’s return. See 701—15.11(422,423).

This rule is intended to implement Iowa Code section 422.43.