

**701—202.5(423) Consolidated returns.** Two types of permit holders have the option of filing a consolidated return. The first is a permit holder with multiple locations from which taxable sales are made, and the second is certain affiliated corporations.

**202.5(1) *Permit holders with multiple locations.*** A permit holder procuring more than one permit may file a separate return for each permit, or if a request to consolidate pursuant to Iowa Code section 423.31(4) has been approved by the department, the permit holder may file one consolidated return reporting sales made at all locations for which a permit is held.

**202.5(2) *Affiliated corporations.*** Any group consisting of a parent corporation and its affiliates, which is entitled to file a consolidated return for federal income tax purposes and which makes retail sales of tangible personal property, specified digital products, or taxable services, may make an application to the director for permission to file a consolidated Iowa sales tax return. The application shall:

- a. Be in writing.
- b. Be signed by an officer of the parent company.
- c. Contain the business name, address, federal identification number, and Iowa sales and use tax permit number of every corporation seeking the right to file a consolidated return.
- d. State the initial tax period for which the right to file a consolidated return is sought.
- e. Be filed no later than 90 days prior to the beginning of the identified initial tax period.
- f. Contain any additional relevant information that the director may, in individual instances, require.

**202.5(3) *Requirements common to returns filed under this rule.*** The following provisions apply to permit holders filing consolidated returns pursuant to either subrule 202.5(1) or 202.5(2):

- a. *Proper form.* Taxpayers shall file consolidated returns through GovConnectIowa.
- b. *Working papers.* All working papers used in the preparation of the information required to complete the returns must be available for examination by the department.
- c. *Offsetting collections among affiliates.* Undercollections of sales tax at one or more locations or by one or more affiliates shall not be offset by overcollections at other locations or by other affiliates.

This rule is intended to implement Iowa Code section 423.31.

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