

**701—17.16(422,423) Sale of a draft horse.** The gross receipts from the sale of draft horses, when purchased for use and so used as a draft horse, shall not be subject to tax. For the purposes of this rule, horses commonly known as Clydesdale, Belgian, Shire, and Percheron will be considered draft horses. However, upon proper showing, other breeds will be granted the exemption by the director, but the burden of proof lies with the one seeking the exemption. *Jones v. Iowa State Tax Commission*, 74 N.W.2d 563 (Iowa 1956). These breeds are used as a draft horse when they are used to pull a load. It is not required that the load be of a commercial nature. Such horses used to pull loads in shows or for the conveyance of persons or property are being so used as draft horses.

The effective date of this rule is for periods beginning on or after July 1, 1978.

This rule is intended to implement Iowa Code sections 422.45(17) and 423.4(4).