

**701—17.19(422,423) Gross receipts from the sale or rental of tangible personal property or from services performed, rendered, or furnished to certain nonprofit corporations exempt from tax.**

**17.19(1)** On and after July 1, 1988, the gross receipts from the sale or rental of tangible personal property or from services performed, rendered, or furnished to the following nonprofit corporations are exempt from tax.

- a.* Community health centers as defined in 42 U.S.C.A. Section 254c.
- b.* Migrant health centers as defined in 42 U.S.C.A. Section 254b.

**17.19(2)** After July 1, 1985, the gross receipts from the sale or rental of tangible personal property or from services performed, rendered or furnished to the following nonprofit corporations are exempt from tax.

*a.* Residential care facilities and intermediate care facilities for the mentally retarded and residential care facilities for the mentally ill licensed by the department of health under Iowa Code chapter 135C.

*b.* Residential facilities for mentally retarded children licensed by the department of human services under Iowa Code chapter 237 including facilities maintained by “individuals” as defined in section 237.1(7) until and including June 30, 1989. On and after July 1, 1989, all residential facilities for child foster care (not only those for mentally retarded children) licensed by the department of human services under chapter 237, other than those maintained by “individuals” as defined in Iowa Code section 237.1(7) are eligible for the exemption.

*c.* Rehabilitation facilities that provide accredited rehabilitation services to persons with disabilities which are accredited by the commission on accreditation of rehabilitation facilities or the accreditation council for services for mentally retarded and other developmentally disabled persons and adult day care services approved for reimbursement by the department of human services.

*d.* Community mental health centers accredited by the department of human services under Iowa Code chapter 225C.

**17.19(3)** The exemption does not apply to tax paid on the purchase of building materials by a contractor which are used in the construction, remodeling or reconditioning of a facility used or to be used for one or more of the uses set forth in subrule 17.19(2). See 1985 O.A.G. 66.

**17.19(4)** Taxes payable on transactions occurring between July 1, 1980, and July 1, 1985, involving the retail sale or rental of tangible personal property or from services performed, rendered, or furnished to a nonprofit corporation described in subrule 17.19(2) and which have not been paid by the nonprofit corporation are no longer due and payable after July 1, 1985, and these taxes are not to be collected notwithstanding any other provisions of the Code.

This rule is intended to implement Iowa Code section 422.45.