

**701—17.39(422,423) Art centers.** Effective July 1, 2001, the gross receipts from sales of goods, wares, or merchandise or from services performed, rendered, or furnished to a private nonprofit art center located in Iowa which are used in the operation of the art center are exempt from sales and use tax.

To be eligible for this exemption all of the following criteria must apply:

**17.39(1)** The organization seeking to claim this exemption must be a private nonprofit art center. For the purpose of this rule, an “art center” is defined as a structure that displays aesthetic objects which are the product of the conscious use of skill and creative imagination. The structure housing the art must be open to the public with regular hours and with staff available to answer visitors’ questions. “Open to the public on a regular basis” means the facility is open for visitors periodically or at fixed intervals.

**17.39(2)** The art center must be located in Iowa.

**17.39(3)** Purchases of tangible personal property or services must be for the operation of the art center.

This rule is intended to implement 2001 Iowa Acts, House File 736, section 4.