

**701—103.1(423A) Definitions, administration, and imposition.**

**103.1(1) Definitions.** For the purposes of this chapter and 701—Chapters 104 and 105, unless the context otherwise requires:

“*Department*” means the department of revenue.

“*Director*” means the director of the department of revenue.

“*Lessor*” means any person engaged in the business of renting lodging to users. “Lessor” is synonymous with the word “retailer.”

“*Locally imposed tax*” means the hotel and motel tax levied by Iowa Code section 423A.4.

“*Lodging*” means rooms, apartments, or sleeping quarters in a hotel, motel, inn, public lodging house, rooming house, or manufactured or mobile home which is tangible personal property, or in a tourist court, or in any place where sleeping accommodations are furnished to transient guests for rent, whether with or without meals.

“*Person*” means the same as the term is defined in rule 701—211.1(423).

“*Renting*” or “*rent*” means a transfer of possession or control of lodging for a fixed or indeterminate term for consideration and includes any kind of direct or indirect charge for such lodging or its use.

“*Sales price*” means the amount of consideration for renting of lodging and means the same as the term is defined in rule 701—211.1(423).

“*State-imposed tax*” means the hotel and motel tax levied by Iowa Code section 423A.3.

“*Tax*” or “*hotel and motel tax*” means either the state-imposed or locally imposed hotel and motel tax levied by Iowa Code sections 423A.3 and 423A.4, respectively.

“*User*” means a person to whom lodging is rented.

All other words and phrases used in this chapter and 701—Chapters 104 and 105 and defined in rule 701—211.1(423) have the meaning set forth in that rule for the purposes of these chapters.

**103.1(2) Administration.** The department is charged with the administration of the tax, subject to the rules, regulations, and direction of the director. The department is required to administer the tax as nearly as possible in conjunction with the administration of the state sales tax except that portion of the law which implements the streamlined sales and use tax agreement. Therefore, the term “retailer” will be used interchangeably between the two taxes.

**103.1(3) Imposition.** A state-imposed tax of 5 percent is imposed upon the sales price for the rental of any lodging if the rental occurs in this state. The state-imposed tax shall be collected by any lessor of lodging from the user of that lodging. The lessor shall add the tax to the sales price of the lodging, and the state-imposed tax, when collected, shall be stated as a distinct item, separate and apart from the sales price of the lodging and the local tax imposed, if any, under Iowa Code section 423A.4.

**103.1(4)** A city or county may impose by ordinance of the city council or by resolution of the county board of supervisors a tax on lodging, at a rate not to exceed 7 percent, which shall be imposed in increments of one or more full percentage points upon the sales price from the renting of lodging. When imposed by a city, the tax shall apply only within the corporate boundaries of that city and when imposed by a county shall apply only outside incorporated areas within that county.

This rule is intended to implement 2005 Iowa Code Supplement sections 423A.3 and 423A.4.