

701—215.10(423) Exempt and nontaxable sales.

215.10(1) *Exempt sales.* A retailer required to collect and remit Iowa sales tax and applicable local option sales tax in accordance with Iowa Code section 423.14A and this chapter is responsible for correctly applying exemptions for tangible personal property, specified digital products, and services. As a member of the streamlined sales tax governing board, the department maintains a taxability matrix to describe whether various items are taxable or exempt. See rule 701—240.6(423) for an explanation of the liability relief provided to retailers who rely on the taxability matrix in determining whether to collect tax on an item.

215.10(2) *Nontaxable sales.* A retailer, including an Iowa retailer with a physical presence in Iowa, a remote seller, or a marketplace facilitator, that makes or facilitates only nontaxable sales, such as sale for resale or wholesale transactions, is not required to register for a sales tax permit.

215.10(3) *Exemption certificates submitted to a marketplace facilitator.* An exemption certificate as described in rule 701—15.3(423) that identifies the marketplace facilitator as the seller may be used by the purchaser for sales made or facilitated by the marketplace facilitator.

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