

701—211.24(423) Lawn care, landscaping, and tree trimming and removal.**211.24(1) Lawn care.**

a. In general. Persons engaged in the business of lawn care are selling a service subject to sales tax. Lawn care is a taxable service regardless of the age of the person performing the service. Lawn care services performed on properties including but not limited to cemetery grounds, golf courses, parks, and residential or commercial properties containing one or more buildings or structures are subject to sales tax.

b. Definitions. For purposes of this rule:

“*Landscaping*” includes services related to the arrangement and modification of a given parcel or tract of land so as to render the land suitable for public or private use or enjoyment.

“*Lawn*” means an open space between woods or ground that is covered with grass and is generally kept mowed or required to be kept mowed.

“*Lawn care*” includes but is not limited to services related to mowing, trimming, watering, fertilizing, reseeding, resodding, and the killing of weeds, fungi, vermin, and insects that may threaten a lawn.

c. Not taxable. The mowing of grass within a ditch is not a taxable service.

211.24(2) Landscaping.

a. In general. Persons engaged in the business of landscaping are selling a service subject to sales tax.

b. Landscape architects. Services that require licensure as a “landscape architect” pursuant to Iowa Code section 544B.2 are not subject to sales tax under this rule if those services are performed by a licensed landscape architect, are separately stated, and are separately billed as a charge for landscape architecture.

c. Exempt. Landscaping services performed on or in connection to new construction, reconstruction, alteration, expansion, or the remodeling of real property are not subject to sales tax. 701—Chapter 219 contains additional information on new construction, reconstruction, alteration, expansion, and the remodeling of real property.

d. Landscaping materials. The sales price of sod, dirt, trees, shrubbery, bulbs, sand, rock, wood chips and other similar landscaping materials, when used for landscaping and sold to final consumers, shall be subject to sales tax. For the purpose of this rule, “final consumer” ordinarily means the owner of the land to which the landscaping materials are applied, or a general building contractor when the landscaping contractor contracts with the general building contractor. When a landscaping contractor uses materials to fulfill a contract, the landscape contractor is considered the retailer of the landscaping materials and shall be obligated to collect sales tax on the selling price from the final consumer.

e. Lump sum. When the retailer of sod, dirt, trees, shrubbery, bulbs, sand, rock, wood chips and other similar landscaping materials installs these items as a part of a contract for landscaping or improving land for a lump sum, the entire sales price shall be subject to tax. Any retailer’s charges for “landscaping” shall be taxable. However, a retailer’s charges for nontaxable services are not taxable if contracted for separately, or, if no written contract exists, the charges are itemized separately on the invoice.

EXAMPLE 1: A sodding contractor agrees to furnish and install 20 yards of sod for the lump sum of \$20 per yard. The sodding contractor must charge the customer \$20 sales tax (5 percent x \$400).

EXAMPLE 2: XYZ Company enters into a contract for the landscaping of an existing office building. XYZ Company agrees to furnish shrubs at \$25 each, white rock for \$5 per bag and wood chips for \$4 per bag. XYZ Company also contracts to install all of the landscaping materials for a fee of \$25 per hour. XYZ Company’s hourly fee is taxable if paid for the service of “landscaping” or for some other taxable service (e.g., excavation). If the service is not taxable, the charge is excluded from tax because it was separately contracted for.

f. Intangible property. The sales price from the sale of uncut sod and unexcavated trees, shrubs, and rock shall not be subject to sales or use tax. This is considered a sale of intangible property and not the sale of tangible personal property.

g. Food coupons. This rule does not apply to the sale price from the sale of plants and trees that are eligible for purchase with food coupons under rule 701—220.2(422,423).

211.24(3) Tree trimming and removal.

a. In general. Persons engaged in the business of tree trimming, tree removal, and stump removal are selling a service subject to sales tax. This includes but is not limited to removal of any portion of a tree, including branches or a trunk.

b. Shrubs with woody stems or trunks. For purposes of this rule, tree trimming and tree removal include the trimming or removal of any shrub that has a woody main stem or trunk with branches.

c. Sale of cut wood. Persons engaged in the business of tree trimming and tree removal who cut wood from the trees that they trim or remove into sizes suitable for sale as firewood and sell the wood as firewood are engaged in the sale of tangible personal property. The tree trimming or removal is not a sale for resale. The sales price from the sale of this wood is subject to sales tax.

This rule is intended to implement Iowa Code sections 423.1 and 423.2(6) “*ab.*”

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