

**701—213.11(423) Repossessed goods.**

**213.11(1)** *Sale subject to tax.* When tangible personal property that has been repossessed either by the original seller or by a finance company is resold to final users or consumers, the sales price from those sales is subject to tax.

**213.11(2)** *Bad debts.* A retailer repossessing previously sold merchandise shall be entitled to claim a credit on tax paid for bad debts in the same fashion as any other retailer that has paid tax to the department upon a sales price that ultimately constitutes a bad debt.

This rule is intended to implement Iowa Code sections 423.2(1) and 423.5(1).

[ARC 8158C, IAB 7/24/24, effective 8/28/24]