

701—215.8(423) Exempt sales or rentals of core-making and mold-making equipment, and sand-handling equipment.

215.8(1) *Exempt sales and rentals of machinery and equipment.* The sales price from sales or rentals of core-making, mold-making, and sand-handling machinery and equipment, including replacement parts, directly and primarily used by a foundry in the mold-making process is exempt from tax. For the purposes of this rule, a “foundry” is an establishment where metal, but not plastic, is melted and poured into molds. A nonexclusive list of equipment that may be exempt includes sand storage tanks, conveyors, patterns, mallor controllers, and sand mixers. A nonexclusive list of items that would not be exempt includes sand and other materials (as opposed to equipment) used to build molds or cores, and supplies. Services used in the mold-making process are not exempted from tax by this rule. Subrule 215.14(2) provides definitions of “directly used,” “equipment,” and “machinery.” Iowa Code section 423.3(47) “d” provides definitions of “replacement part” and “supplies.”

215.8(2) *Exempt sales of fuel and electricity.* The sales price from sales of fuel used in creating heat, power, or steam for, or used for generating electric current for, or electric current sold for use in machinery or equipment the sale or rental of which is exempt under subrule 215.8(1) is exempt from tax.

215.8(3) *Exempt design and installation services.* The sales price from furnishing design and installation services, including electrical and electronic installation, of machinery and equipment the sale or rental of which is exempt under subrule 215.8(1) is exempt from tax.

This rule is intended to implement Iowa Code section 423.3(82).

[ARC 8160C, IAB 7/24/24, effective 8/28/24]