701—219.15(423) Liability of subcontractors. A subcontractor providing materials and labor on the actual construction of a structure has the same status and tax responsibilities as a contractor under Iowa statutes. However, where an individual or firm is hired to provide machinery and equipment to a contractor or a subcontractor, the individual or firm is considered a materials supplier rather than a subcontractor. This is true even though the machinery and equipment are supplied with installation. Items of machinery and equipment sold by materials suppliers to contractors shall be sold for resale, and the contractor must provide the materials supplier with a valid resale certificate.

This rule is intended to implement Iowa Code sections 423.2 and 423.3.

[**ARC 8161C**, IAB 7/24/24, effective 8/28/24]