

701—220.10(423) Sale of energy to residential customers.

220.10(1) *Generally.* The sales price from the sale, furnishing, or service of metered natural gas, electricity and fuels, including propane and heating oils, to residential customers for use as energy for residential dwellings and units of apartment, and condominium complexes for human occupancy, is exempt from sales and use tax.

220.10(2) *Definitions.* The following definitions are applicable to this rule:

“Energy” means a substance that generates power to operate fixtures or appliances within a residential dwelling or that creates heat or cooling within a residential dwelling.

“Fuel” means a liquid source of energy for a residential dwelling, individual apartment unit, or condominium. “Fuel” includes propane, heating fuel, and kerosene. However, “fuel” does not include blended kerosene used as motor fuel or special fuel.

“Metered gas” means natural gas that is billed based on metered usage to provide energy to a residential dwelling, individual apartment unit, or individual condominium.

“Residential dwelling” means a structure used exclusively for human occupancy. This does not include commercial or agricultural structures, nor does it include nonresidential buildings attached to or detached from a residential dwelling, such as an outbuilding. However, a garage attached to or detached from a dwelling that is used strictly for residential purposes qualifies for the exemption.

“Units of apartment and condominium complexes.” A building containing apartment units or individual condominiums is not considered to be qualifying property for purposes of this rule. However, if each unit has a separate meter, the unit qualifies for the exemption if it is classified as a qualifying property by the utility.

220.10(3) *Other nonqualifying structures.* Structures excluded from this exemption include but are not limited to nursing homes, adult living facilities, assisted living facilities, halfway houses, charitable residential facilities, YMCA residential facilities, YWCA residential facilities, and group homes.

This rule is intended to implement Iowa Code section 423.3(84).

[ARC 8162C, IAB 7/24/24, effective 8/28/24]