

701—275.2(423) Baseball and softball complex sales tax rebate.**275.2(1) Generally.**

a. Rebate approval. The economic development authority and the enhance Iowa board are authorized by the general assembly and the governor to oversee the application and award process for the baseball and softball complex sales tax rebate, created in Iowa Code section 15F.207. An entity whose project is reviewed and recommended by the economic development authority and approved by the enhance Iowa board is entitled to rebate of qualifying sales tax in accordance with Iowa Code section 423.4(10) as amended by 2018 Iowa Acts, Senate File 2417, and this rule, not to exceed the amount awarded by the economic development authority.

b. Qualifying rebates. Qualifying rebates of Iowa state sales tax may be made to the owner or operator of a complex as defined in this rule for sales occurring on or after the project completion date for a period of ten years or the date the award was made, whichever is later. Qualifying rebates are for state sales tax only. Local option taxes are not subject to rebate under this program.

275.2(2) Definitions. For the purpose of this program, the definitions in Iowa Code section 423.4(10) as amended by 2018 Iowa Acts, Senate File 2417, apply. In addition, the following definitions apply:

“*Department*” means the department of revenue.

“*Eligible baseball and softball complex*” or “*complex*” means a facility located in this state that has a project completion date that is after July 1, 2016, is designed and built to host baseball and softball games and has a cost of construction upon completion that is at least \$10 million. The boundaries of a “complex” may be a portion or the entirety of a premises. After granting an award to a complex, the enhance Iowa board shall describe in writing to the department the physical boundaries of the complex and provide the department a map illustrating the approved boundaries of the complex.

“*Placed into service*” means the first day a complex is able to host a baseball or softball game.

275.2(3) Notification to the department of revenue. The owner or operator of the complex shall provide the department with a copy of the award notice from the enhance Iowa board.

275.2(4) Retailer identification.

a. Identification of retailers. The owner or operator shall provide the department with the identity of all retailers at the complex that will be collecting sales tax, provide sales tax permit numbers for each retailer, and keep the information current.

b. Notification to department. The owner or operator of the complex shall notify the department within ten days of the start-up or termination of a retailer collecting sales tax at the complex. For purposes of this subrule, termination occurs when the retailer provides notice to the owner or operator that the retailer will no longer collect sales tax at the complex or after one calendar year expires since the retailer collected sales tax at the complex.

c. Verification by department. The department shall verify the identity of a retailer collecting sales tax at the complex before rebates are paid for sales made by that retailer.

275.2(5) Baseball and softball complex rebate request form and filing requirements. The owner or operator must submit a rebate request to the department on the authorized form. The form will be made available on the department’s website. A properly completed form shall adhere to the following rules:

a. Who may file the claim. The claim must be filed by the owner or operator. Claims filed under the name of an affiliated entity will be denied.

b. Information regarding retailers making sales at the complex. The following information shall be provided:

- (1) Business name,
- (2) Responsible party,
- (3) Federal employer identification number (FEIN), and
- (4) Sales tax permit number, which must be associated with an address at the complex.

c. Sales at the complex. Information on sales at the complex and sales tax collected on those sales must be reported. Only sales by retailers meeting the requirements of paragraph 235.2(5) “b” and Iowa Code section 423.4(10) as amended by 2018 Iowa Acts, Senate File 2417, are eligible for rebate.

d. Additional information. The department may request any other additional information, from any person, necessary to verify the rebate.

e. Sworn statement. The department may require a sworn statement regarding the truthfulness and eligibility of the claim.

f. Filing frequency. The forms are due quarterly, on or before the last day of the month following the quarter in which the sales at the complex took place.

275.2(6) Fund transfers. The amount of sales tax revenues transferred from the general fund to the complex fund is that portion of sales tax receipts remaining in the general fund after other department transfers, as described in 2018 Iowa Acts, Senate File 2417, section 174.

275.2(7) Termination of rebate program. The rebate program terminates 30 days following the date on which \$5 million in total rebates has been provided. The rebate award for each complex terminates on the earliest of the following dates:

- a.* Ten years after the project completion date; or
- b.* The date on which total rebates equal to the amount of the rebate award have been provided to the complex; or
- c.* The date of the change of control of the facility.

275.2(8) Sourcing of sales.

a. Generally. In general, sales are considered to occur “at the complex” if they occur within the boundaries identified in the physical description provided by the enhance Iowa board and are sourced to a location within those boundaries under Iowa Code section 423.15.

b. Advance ticket and admissions sales. Advance ticket and admissions sales shall be considered occurring at the baseball and softball complex regardless of where the transactions actually occur. Consequently, the state sales tax and any applicable local option tax in effect for the jurisdiction in which the facility is located must be imposed on the purchase price of advance ticket and admissions sales.

This rule is intended to implement 2018 Iowa Acts, Senate File 2417, section 174, and Iowa Code section 423.4 as amended by 2018 Iowa Acts, Senate File 2417.

[ARC 0402C, IAB 10/17/12, effective 11/21/12; ARC 4144C, IAB 11/21/18, effective 12/26/18; ARC 6508C, IAB 9/7/22, effective 10/12/22]