

701—26.72 (422,423) Sewage services.**26.72(1) Definitions.**

- a. “*Sewage service*” is the service of collecting rainwater and other liquid and solid refuse or excreta for drainage or purification by means of pipes, channels, or conduits usually placed underground.
- b. “*Agricultural operations*.” This phrase has the meaning ascribed to it in 26.71(1)“c.”
- c. “*Industrial operations*” has the meaning ascribed to it in 26.71(1)“d.”
- d. “*Mining operation*.” This term has the meaning ascribed to it in 26.71(1)“e.”
- e. “*Nonresidential commercial operation*.” This phrase has the meaning ascribed to it in 26.71(1)“f.”

26.72(2) Tax imposed. On and after April 1, 1992, gross receipts from the sale, furnishing, or service of sewage service provided to nonresidential commercial operations are taxable.

The date of billing controls the imposition of the tax. Gross receipts from sewage service are subject to Iowa sales tax if the date for the service provider’s billing of a customer falls on or after April 1, 1992. If a bill itself has no billing date, the date of billing is the date set out in the provider’s books and records. If a provider’s books and records contain no billing date and the bill is sent by mail, the date of the bill is the postmark on the letter containing the bill.

26.72(3) Retailers obligated to collect the tax. Counties, municipalities, sanitary districts, or any other persons which provide sewage service to nonresidential commercial operations are obligated to collect Iowa sales tax upon the gross receipts from the rendering, furnishing, or performing of sewage services to those operations.

Any person who has contracted to provide sewage services to a county or municipality is obligated to collect tax upon the gross receipts from those services performed for the city or county on behalf of nonresident commercial operations located within the city or county.

See subrule 26.71(4) for an explanation of how a retailer who is providing taxable and nontaxable service to the same customer for one lump sum ought to treat the proceeds of such a transaction.

This rule is intended to implement Iowa Code section 422.43.