

701—240.4(423) Allocation of bad debts. If a seller is entitled under the provisions of 2005 Iowa Code section 423.21 to deduct bad debts owed to it and those bad debts consist of any sales price or purchase price upon which tax has been paid to the state of Iowa as well as a state or states other than Iowa, then allocation of the bad debt is allowed. The seller must support an allocation of the bad debts between Iowa and the other state or states through the proper accounting of its books and records.

This rule is intended to implement 2005 Iowa Code chapter 423, subchapter IV.