

701—16.14(422) Sales in interstate commerce—goods delivered into this state. When parties contract for the sale of tangible personal property in interstate commerce and the property is delivered to users or consumers in Iowa and the seller is engaged in the business of selling tangible personal property in Iowa, the transaction shall be subject to sales tax. The tax shall apply, even though the purchaser's order may specify that the goods are to be manufactured or procured outside Iowa and shipped directly from the point of origin to the purchaser. The seller shall be required to collect and remit sales tax on all such transactions.

If the above conditions are met, and the property is delivered to the purchaser in Iowa, it shall be immaterial if the contract of sale is closed by acceptance outside Iowa, if the contract is made before the property is brought into Iowa or if any other aspect of the sale occurs outside this state. *Harold D. Sturtz v. Iowa Department of Revenue*, 373 N.W.2d 131 (Iowa 1985).

16.14(1) Delivery in state. Delivery is held to have taken place in Iowa when physical possession of the tangible personal property is actually transferred to the consumer or user or their agents, other than a carrier, within the state. *Dodgen Industries v. Iowa State Tax Commission*, 160 N.W.2d 289 (Iowa 1968). For examples of delivery which do not involve physical transfer of possession to the user or consumer, see 701—subrules 14.3(2) and 14.3(3).

16.14(2) Rescinded IAB 4/15/92, effective 5/20/92.

This rule is intended to implement Iowa Code sections 422.42, 422.43, and 422.45(1).