

701—16.16(422,423) Tangible personal property made to order. When a retailer contracts to fabricate items of tangible personal property from materials available in stock or through placing orders for materials which have been selected by customers, the total receipts from the sale of such fabricated articles shall be included in the taxable receipts. The retailer shall not deduct fabrication or production charges, even though such charges are separately billed. Hellerstein, *The Scope of the Taxable Sale Under Sales and Use Tax Acts: Sales as Distinguished From Services*, 11 Tax L. Rev. 262, 269 (1956).

This rule is intended to implement Iowa Code sections 422.42, 422.43, 423.1, and 423.2.