

701—16.40(422,423) Iowa dental laboratories. Iowa dental laboratories are engaged in selling tangible personal property to Iowa dentists. Such laboratories shall hold a retail sales tax permit and collect and report all tax due from dentists in all transactions involving taxable retail sales.

Iowa dental laboratories shall not be subject to tax on those purchases of tangible personal property which (1) form a component or integral part of new work or repair work being furnished to Iowa dentists or other dentists or (2) would be exempt if purchased directly by the dentist's patient.

Iowa dental laboratories are deemed to be the final user or consumer of all tangible personal property, including tools, office supplies, equipment and any other tangible personal property not otherwise exempt. Sales tax shall be remitted to its Iowa supplier when purchasing in this state, and use tax shall be remitted directly to the department when such items are purchased from out-of-state suppliers, unless the out-of-state supplier is registered with the department and authorized to collect use tax for the state, in which case the use tax shall be paid to the registered supplier.

This rule is intended to implement Iowa Code sections 422.42, 422.43, 422.45(15), 423.1, and 423.2.