

**701—16.45(422,423) Sale of baling wire and baling twine.** Prior to July 1, 1996, the sale of baling wire and baling twine to farmers may be taxable or exempt from tax, depending upon the use which the farmer will make of the baling wire or twine. If a farmer purchases baling wire or twine for use in baling hay or straw which will be used or consumed in that farmer's own farming operation, the purchase of the baling wire or twine is taxable. If a farmer purchases baling wire or twine for use in baling hay or straw for sale to other persons, the farmer's purchase of the wire or twine is exempt from tax. Purchase of wire or twine by commercial or custom balers employed to bale hay or straw owned by other persons is taxable. For sales on or after July 1, 1996, see 701—subrule 18.48(4).

This rule is intended to implement Iowa Code section 422.45(19) and Iowa Code section 422.45 as amended by 1996 Iowa Acts, chapter 1145.