

**701—32.1(423) Tangible personal property and taxable services subject to sales tax.** The gross receipts from the sale of tangible personal property which are subject to the imposition of sales tax under Iowa Code chapter 422 shall be exempt from use tax if the sales tax has been paid to the department or to a retailer. This shall not apply to vehicles subject to registration or the purchase of a taxable service enumerated in Iowa Code section 422.43 prior to July 1, 1994. On and after that date the rendering, furnishing, or performing of a service taxable under Iowa Code chapter 422 shall be exempt from use tax if the sales tax has been paid to the department or to a retailer. Prior to, on, and after July 1, 1994, either a sales tax or a use tax, but not both, shall be imposed upon the use in Iowa of services rendered, furnished, or performed in this state.

This rule is intended to implement Iowa Code subsection 423.4(1).