

701—103.3(423A) Tax imposition and exemptions.

103.3(1) *Tax imposed.* A state-imposed tax of 5 percent is imposed upon the sales price for the rental of any lodging if the lodging is located in this state. A locally imposed tax of up to 7 percent is imposed to the extent permitted by Iowa Code section 423A.4.

103.3(2) *Exemptions.* The only exemptions from the hotel and motel tax are those in Iowa Code section 423A.5. The exemptions apply to both the state-imposed tax and the locally imposed tax under Iowa Code chapter 423A.

This rule is intended to implement Iowa Code sections 423A.3, 423A.4, and 423A.5.
[ARC 4195C, IAB 12/19/18, effective 1/23/19]