

701—217.9(423) State sales tax exemption for central office equipment and transmission equipment. Central office equipment and transmission equipment primarily used in the furnishing of telecommunications services on a commercial basis are exempt when used by certain providers enumerated in Iowa Code section 423.3(47A) “a.”

217.9(1) Definitions. The following definitions are applicable to this rule:

“*Central office equipment*” means the same as defined in Iowa Code section 423.3(47A) “b”(1).

“*Transmission equipment*” means the same as defined in Iowa Code section 423.3(47A) “b”(4).

217.9(2) Central office equipment or transmission equipment. The following are central office equipment or transmission equipment:

a. Stored program control digital switches and their associated equipment used to switch or route communication signals with a system from the origination point to the appropriate destination.

b. Peripheral equipment used to support the transmission of communications over the network, such as emergency power equipment, lightning arrestors, fault alarm equipment, multiplex equipment, digital cross connects, terminating equipment, fiber optic electronics, communication hardware equipment, and test equipment.

c. Circuit equipment that utilizes the message path to carry signaling information or that utilizes separate channels between switching offices to transmit signaling information independent of the subscribers’ communication paths or transmission channels.

d. Radio equipment, including radio-transmitters and receivers utilized to transmit communication signals through the air from one location to another. Radio equipment also includes repeaters, which are located every 20 to 30 miles; at these points, radio signals are received, amplified and retransmitted.

217.9(3) Not central office equipment or transmission equipment. The following are not central office equipment or transmission equipment:

a. Telecommunications towers. These towers are structures and, as such, constitute real property. Real property is outside the scope of “equipment.”

b. Equipment shelters or enclosures erected on concrete or other foundations. These shelters or enclosures are structures and, as such, constitute real property. Real property is outside the scope of “equipment.”

c. Fencing erected around the telecommunications towers and equipment shelters or enclosures.

This rule is intended to implement Iowa Code section 423.3(47A).

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