

**701—216.7(423) Tangible personal property, specified digital products, or services given away as prizes.**

**216.7(1)** *In general.* The sales price from the sale of tangible personal property, specified digital products, or services that will be given as prizes to players in games of skill, games of chance, raffles, and bingo games as defined in and lawful under Iowa Code chapter 99B is exempt from tax. The rules issued by the department of inspections, appeals, and licensing in 481—Chapters 100 through 106 further describe the games of skill, games of chance, raffles, and bingo games that are lawful and may be lawfully awarded.

**216.7(2)** *Gift certificates.* A gift certificate is not tangible personal property. If a person wins a gift certificate as a prize and then redeems the gift certificate for merchandise, tax is payable at the time the gift certificate is redeemed.

This rule is intended to implement Iowa Code section 423.3(63).

[ARC 7715C, IAB 3/6/24, effective 4/10/24]