

701—282.5(423) Property used to manufacture certain vehicles to be leased. Tangible personal property that becomes an integral part of a vehicle as described in Iowa Code section 423.6(8) is exempt from use tax, subject to the limitations provided in Iowa Code section 423.6(8). However, this rule does not exempt the sale of the tangible personal property used from the imposition of sales tax under Iowa Code section 423.2 if that property is otherwise subject to sales tax.

This rule is intended to implement Iowa Code section 423.6(8).

[ARC 7717C, IAB 3/6/24, effective 4/10/24]