

**701—211.45(423) Sewage services.**

**211.45(1) *In general.*** Persons engaged in providing sewage service to nonresidential commercial operations are selling a service subject to sales tax.

**211.45(2) *Definitions.*** For purposes of this rule:

“*Agricultural operation*” means any enterprise engaged in the raising of crops or livestock for market on an acreage.

“*Industrial operation*” means a business that purchases or rents machinery or equipment eligible for the Iowa sales and use tax exemption for industrial machinery and equipment.

“*Mining operation*” means a business engaged in underground mining, strip mining, or quarrying.

“*Nonresidential commercial operation*” means the same as defined in rule 701—211.44(423).

“*Sewage services*” means the services of collecting rainwater, liquid and solid refuse, or excreta for drainage or purification by means of pipes, channels, or conduits usually placed underground.

**211.45(3) *Nonresidential commercial operations.*** Counties, municipalities, sanitary districts, or any other person providing sewage service to nonresidential commercial operations are obligated to collect and remit the applicable Iowa sales tax. Any person or entity that has contracted to provide sewage services to a county or municipality is obligated to collect and remit the applicable Iowa sales tax performed for the county or city on behalf of the nonresident commercial operations located within that county or city.

This rule is intended to implement Iowa Code section 423.2(6) “*at.*”  
[ARC 6704C, IAB 11/30/22, effective 1/4/23]