

Sales/Use/Indirect:

Iowa: Proposed Rules Implement Law Changes Involving Bundled Transactions and Digital Products

Proposed New Rule 701—Chapter 216 (701—216.1, 701—216.2, 701—216.3, 701—216.4), Iowa Dept. of Rev. (3/10/21). The Iowa Department of Revenue is proposing new rules on bundled transactions to help implement legislation enacted in 2018 [see S.F. 2417 (2018) and previously issued Multistate Tax Alert for more details on this 2018 Iowa legislation] and 2020 [see H.F. 2641 (2020) for more details on this 2020 legislation] to:

URL: <https://www.legis.iowa.gov/docs/aco/bulletin/03-10-2021.pdf>

URL: <https://www.legis.iowa.gov/legislation/BillBook?ga=87&ba=sf2417>

URL: <https://www2.deloitte.com/us/en/pages/tax/articles/iowa-enacts-income-tax-and-sales-use-tax-changes.html?id=us:2em:3na:stm:awa:tax:031921&sfid=7011O0000038IESQAY>

URL: <https://www.legis.iowa.gov/legislation/BillBook?ga=88&ba=hf2641>

- Fully incorporate the definition of “bundled transaction” to be used by members of the Streamlined Sales and Use Tax Agreement, including Iowa; and
- Incorporate the addition of “specified digital products” to the description of components of a transaction that make that transaction a non-bundled transaction.

Interested parties may submit comments concerning these proposed rule changes by March 30, 2021, which is also the tentative date of a public hearing that may be held if requested. Please contact us with any questions.

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