

## Sales/Use:

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

*New Rule 701 – Chapter 216 (701 – 216.1, 701 – 216.2, 701 – 216.3, 701 – 216.4)*, Iowa Dept. of Rev. (5/5/21). The Iowa Department of Revenue adopted 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/05-05-2021.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:051421&sfid=7011O0000038I7IQAA>

**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.

The rules become effective on June 9, 2021. Please contact us with any questions.

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