

Sales/Use/Indirect:

Iowa: Adopted Rule Incorporates DOR Interpretations on Taxation of Digital-Based Services

New Rule 701 – Chapter 211, Iowa Dept. of Rev. (11/30/22). The Iowa Department of Revenue (Department) adopted a new rule that reflects its current informal guidance on legislation enacted in 2018 [see S.F. 2417 (2018) and previously issued Multistate Tax Alert for more details on this 2018 Iowa legislation], which expanded Iowa's sales and use tax base to include a variety of digital-based services. In doing so, the Department seeks to adopt its policy interpretations into binding administrative rules. Among other services, the rule addresses the taxability of information services; software as a service (SaaS); video game services and tournaments; services related to specified digital products or software sold as tangible personal property; storage of tangible or electronic files, documents, or other records; and webinars. The rule is scheduled to take effect on January 4, 2023. Please contact us with any questions.

URL: <https://www.legis.iowa.gov/docs/aco/arc/6704C.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:120922&sfid=7015Y000003bKCpQAM>

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