

REVIEW OF STATUTORY SALES AND USE TAX EXEMPTIONS

On July 1, 2004, Streamlined Sales Tax (SST Law) was implemented in Iowa. A new category explaining the changes in the law due to the implementation of SST has been added to this list for your reference. The citations to exemptions listed below have a reference to both the law when enacted prior to July 1, 2004, and the new Iowa Code sections under the SST Law or enacted after 2004.

AGRICULTURE

- Commercial fertilizer and agricultural limestone. 422.42(3)(1937), 423.3(4)(2004)
- Materials including agricultural limestone used to control disease, weeds, or insects or promote the health of plants or livestock for market. 422.42(3) (1957) Redrafted in 1985 to include breeding stock, domesticated fowl, herbicide, pesticide, insecticide, food, and medication. 423.3(5)(2004)
- Fuel consumed in implements of husbandry used for agricultural production. 422.42(3) (1957), 423.3(6)(2004)
- Fuel used in grain drying. 422.42(3)(1969), 423.3(6)(2004)
- Sale or rental of certain farm machinery and equipment, which is a self-propelled implement or attached to it, including replacement parts and grain dryers, (Refund between July 1, 1985, and June 30, 1987, then exempted). 422.45(26)(1985), 423.3(8)(2004)
- Fuel used to provide heating or cooling to livestock buildings. 422.42(3)(1985), 423.3(6)(2004)
- Aerial application services. 422.45(25)(1985), 423.3(7)(2004)
- Agricultural drain tile and the installation thereof. 422.42(3)(1987), 423.3(5)(2004)
- Gas, electricity, water, and heat used in all implements of husbandry engaged in agricultural production. 422.45(34)(1987), 423.3(10)(2004)
- Repairs to implements and the purchase or rental of farm machinery other than self-propelled implements or attachments and replacement parts used in livestock and dairy production. (Refund from July 1, 1987, to July 1, 1988, then it became exempt.) Repair labor lost its exemption on July 1, 1988. 422.47C, 422.45(39)(1987), 423.3(11)(2004)
- Prior to July 1, 2008, replacement parts *essential to* any repair or reconstruction to farm machinery, equipment, or implement used in livestock or dairy production. 422.47C, 422.45(39)(1988), 423.3(11)(2004)
- Effective July 1, 2008, Replacement parts *used in* any repair or reconstruction to farm machinery, equipment, or implement used in livestock or dairy production. 422.47C, 422.45(39)(1988), 423.3(11)(2004), 423.3(8, 11)(2008)
- Sale or rental of irrigation equipment used in farming operations. 422.45(42)(1989), 423.3(12)(2004)
- Laboratory test on animals. 422.43(11)(1991), 423.2(6)(2004)
- Hay, straw, paper, wood chips, sawdust, or other materials used as bedding in the agricultural production of livestock or fowl. 422.45(30)(1992), 423.3(9)(2004)