



Multistate Tax

## State Tax Matters

October 30, 2015

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### Sales/Use/Indirect:

#### Iowa: Proposed Administrative Rules Would Broaden Definition of Exempt Manufacturing Equipment

*Proposed New Administrative Rules 701-230.14(423) thru 701-230.22(423); Proposed Amended Administrative Rules 701-219.11(423) thru 701-219.12(423), 219.(13)), Iowa Dept. of Rev. (9/30/15).* The Iowa Department of Revenue (Department) has issued proposed administrative rules related to the definition of machinery and equipment for purposes of Iowa's manufacturing exemption which, according to the Department, has "been the subject of substantial confusion and controversy" because "many items that might ordinarily be thought of as machinery and equipment are considered real property and are therefore taxed as building materials." The Department further explains that these proposed amendments would implement a policy that eliminates "distinctions that do not reflect modern manufacturing in Iowa," – essentially broadening the definition of exempt manufacturing equipment. If approved, these proposed changes would apply prospectively to sales occurring as part of a contract entered into on or after January 1, 2016.

[URL: https://rules.iowa.gov/Notice/Details/2178C](https://rules.iowa.gov/Notice/Details/2178C)

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## Multistate tax alerts

What's new in the States? Our Multistate Tax Alerts highlight selected state tax developments relevant to taxpayers, tax professionals, and other interested persons. Read our more recent alerts below or visit the archive for ones you may have missed.

**Archive:** <http://www2.deloitte.com/us/en/pages/tax/articles/multistate-tax-alert-archive0.html?id=us:2sm:3tw:stm:awa:tax>

*No new alerts were issued this period. Be sure to refer to the archives to ensure that you are up to date on the most recent releases.*

### Have a question?

If you have needs specifically related to this newsletter's content, send us an email at [clientsandmarketsdeloittetax@deloitte.com](mailto:clientsandmarketsdeloittetax@deloitte.com) to have a Deloitte Tax professional contact you.

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