



Iowa Department of  
**REVENUE**

Retail Sales and Use Taxes  
Annual Report  
Fiscal Year 2017

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**Tax Research and Program Analysis Section**

**IOWA DEPARTMENT OF REVENUE  
SALES AND USE TAXES ANNUAL REPORT  
FISCAL YEAR 2017  
TABLE OF CONTENTS**

**Introduction Page**

Foreword.....	1-2
Glossary.....	3

**Tax Collection Distributions**

Distribution of Sales and Use Tax Collections by Tax Type for Fiscal Years 2010-2017.....	4
Retail Sales and Use Tax Collections by Tax Type in Millions for Fiscal Years 2010-2017.....	5

**Retail Sales Tax Summary**

History of Iowa Retail Sales Tax.....	6
Year in Review.....	7

**Retail Sales Tax Statistics**

Distribution of Retail Sales Tax Collections by Quarter for Fiscal Years 2010-2017.....	8
Retail Sales Tax Collections in Millions by Quarter for Fiscal Years 2010-2017.....	9
Retail Sales Tax by City Population.....	10
Retail Sales Tax by Filing Frequency.....	11
Retail Taxable Sales and Tax by Amount of Taxable Sales.....	12
Total Retail Sales and Exempt Sales by Amount of Total Sales.....	13
Retail Sales Tax by Amount of Tax Due.....	14
Change in Retail Sales Tax Returns, Establishments, and Computed Tax by Business Group.....	15

**Use Tax Summary**

History of Iowa Use Taxes.....	16
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**Use Tax Statistics**

Iowa Use Taxes.....	17
Retailer's Use Tax by Amount of Tax Due.....	18
Consumer's Use Tax by Amount of Tax Due.....	19

## Forward

Each fiscal year, July 1 to June 30, a quarterly Retail Sales and Use Tax Report is published for each of the four quarters ending September 30, December 31, March 31, and June 30. This Retail Sales and Use Taxes Annual Report encompasses data for all four fiscal year 2017 quarters, covering sales between July 1, 2016 and June 30, 2017. Quarterly statistical summaries are also provided on the Department's [website](#).

**Tax Collection Distributions:** In FY 2017, \$2.8 billion in tax was reported on sales and use tax quarterly and annual returns filed with the Department of Revenue (see Table 1). Of that tax, 83.3% was reported on retail sales tax returns, 14.1% on retailer's use tax returns, and 2.6% on consumer's use tax returns (see Figure 1). There was a slight decrease in the share associated with retail sales and consumer's use sales (remitted by taxpayers who purchase from retailers with no nexus) and a corresponding increase in the share associated with retailer's use sales (remitted by retailers located outside of Iowa with nexus) over last year.

**Retail Sales Tax Summary:** This section contains a brief history of the development of the Iowa retail sales tax, listing some major legislation that changed the Iowa sales tax base. The remaining pages of the section present various retail sales tax statistics.

Retail sales activity by type of business is classified using the 2007 North American Industry Code Classification System (NAICS). In 1999, the Department of Revenue converted many of the 1987 Standard Industrial Classification (SIC) codes to the appropriate four digit NAICS code. Where an exact match was not possible, the Department attempted to match as closely as possible with the NAICS codes. These tables match presentations of sales and use tax data in prior annual reports. However, between the fourth quarter of fiscal year 2013 and the first quarter in fiscal year 2014 the Department reviewed the business class codes assigned to retailers in the sales and use tax database. In that review, approximately 12 percent of retailers were reassigned to a different business class code to more accurately reflect the type of business in which the business is engaged. These business classes comprise the business groups presented in several tables, thus these reassigned classes impact tables where data are presented by business group. In addition, the Convenience Stores and Gas Stations business class was moved from the Motor Vehicle group to the Food Dealers group. These changes make data in this report not comparable to reports from FY 2013 or prior years. However, the Department has updated historical taxable sales data to be consistent with the current business groups and posted data by county from FY 2000 through this quarter on [data.iowa.gov](http://data.iowa.gov).

**Retail Sales Tax Statistics:** This section contains various looks at retail sales tax data including taxes by city population, filing frequency, and taxable sales (see Tables 2 through 8).

The following retail sales tax data are included in the MS Excel file: (1) "Retail Sales by County" provides total returns filed, taxable sales and computed tax as well as a count of unique establishments in the county filing at least one return during the fiscal year. (2) "Retail Sales and Tax by County and City" provides data for all cities in Iowa where at least 40 returns were filed during the fiscal year. The "Other" category provides data for all cities in each county not satisfying the minimum return requirement and any retailers located in unincorporated areas. (3) "Retail Sales and

Tax by County and Business Group” provides data by 12 business groups for each county. Breakouts are provided for each business group within a county where at least 20 or more returns were filed in a fiscal year. An "S", representing "Suppressed", is used for any business group that does not have at least 20 returns filed. (4) "Retail Sales and Tax by Business Classification" provides state-wide data by the 12 business groups further broken out into 82 business classifications. In order to protect the confidentiality of individual businesses, information for any business classification with less than 20 returns filed during the fiscal year are aggregated and put in the "Unclassified" category in the "Miscellaneous" group.

**Use Tax Summary:** This section begins with a history of the development of the Iowa Use Tax followed by a summary of the various types of use taxes.

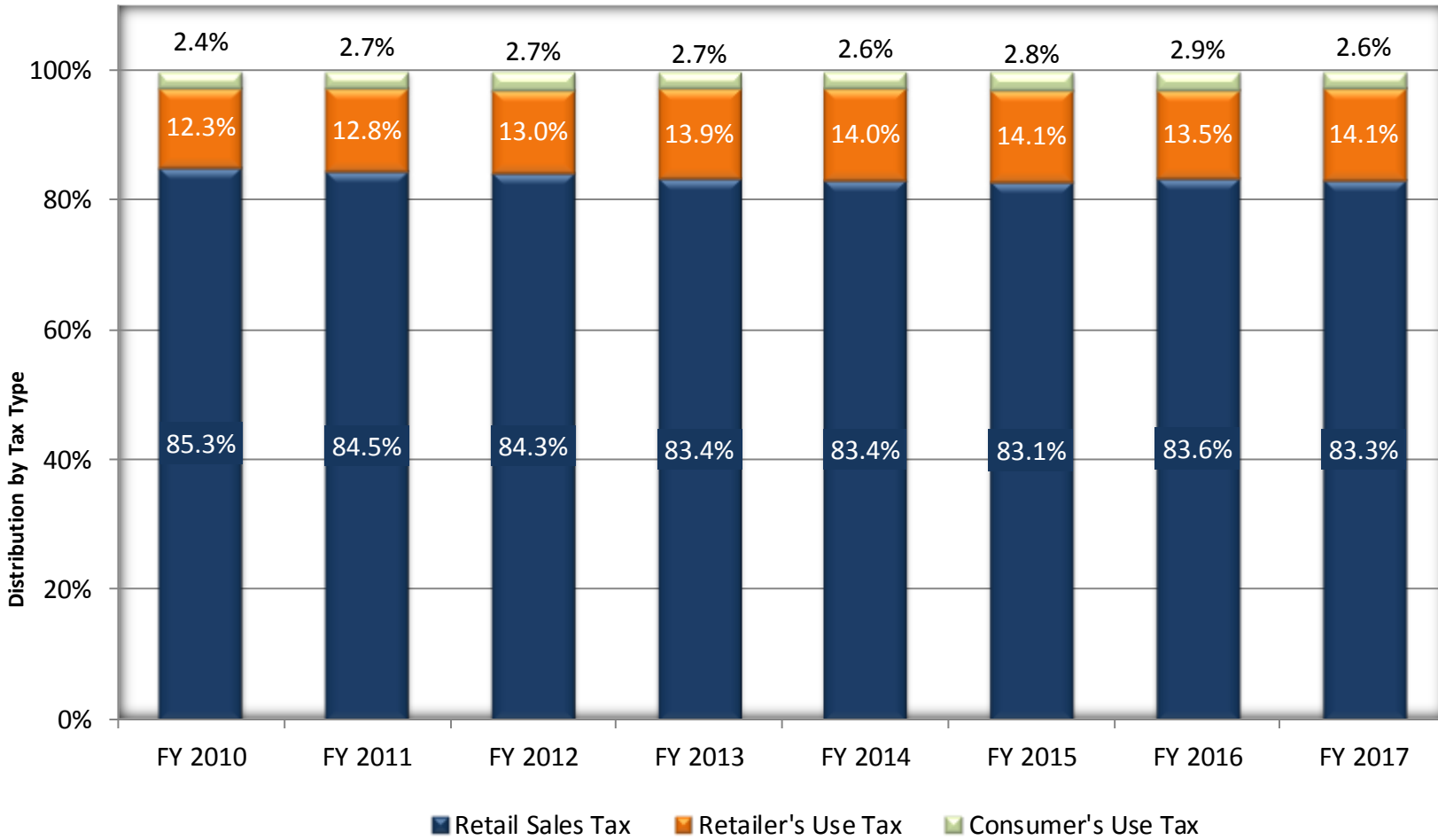
**Use Tax Statistics:** This section contains retailer’s use and consumer’s use tax receipts in Tables 9 through 11.

The MS excel workbook contains the following use tax data (1) “Retailer’s Use Tax by Business Class” provides sales by out-of-state retailers to Iowa taxpayers by the 12 business groups further broken out into 82 business classifications. In order to protect the confidentiality of individual businesses, information for any business classification with less than 20 returns filed during the fiscal year are aggregated and put in the "Unclassified" category in the "Miscellaneous" group, (2) “Consumer’s Use Tax by Business Class” provides purchases by Iowa taxpayers by the 12 business groups further broken out into 82 business classifications. In order to protect the confidentiality of individual businesses, information for any business classification with less than 20 returns filed during the fiscal year are aggregated and put in the "Unclassified" category in the "Miscellaneous" group, (3) “Consumer’s Use Tax by County” provides total returns filed, taxable sales and computed tax on returns filed by taxpayers making taxable purchases out-of-state for use in Iowa during the fiscal year. In addition, a summary of Local Hotel and Motel Tax Receipts by jurisdiction and Motor Vehicle Use Fees reported by County Treasurers are also included.

## Glossary

<b>BUSINESS CLASSIFICATION</b>	Business classifications are based on the major type of activity performed by the business. As a result, business classifications may include sales other than normally suggested by the class title. Classifications are based on the 2007 North American Industry Classification System (NAICS).
<b>BUSINESS GROUP</b>	Consolidation of related business classifications into 12 broader business groups.
<b>COMPUTED TAX</b>	The applicable tax rate times the taxable sales.
<b>CONSOLIDATED FILER</b>	A business with multiple locations in Iowa that aggregates sales tax data over all the locations and files a single sales tax return per quarter.
<b>NUMBER OF RETURNS</b>	A count of all quarterly or annual returns filed by a combination of consolidated and nonconsolidated filers during the fiscal year. When state-level data is presented, the number of returns counts each consolidated filer as one return. When county-level and business classification data is presented the number of returns counts each consolidated location separately.
<b>NUMBER OF ESTABLISHMENTS</b>	An establishment is each unique location where business is conducted that filed at least one tax return during the fiscal year. However, the number of establishments includes each separate location of a consolidated filer even if only one return was filed for all of those locations.
<b>OTHER</b>	Includes all businesses located in unincorporated areas of a county and those cities with less than 40 returns filed for the annual report and 10 returns filed for a quarterly report.
<b>TAXABLE SALES</b>	Gross receipts plus the value of taxable goods and services consumed by the business that were purchased tax exempt, minus the amount of tax exempt sales.
<b>UNCLASSIFIED</b>	Includes all businesses where less than 20 returns were filed for the applicable business classification during the fiscal year. These are included in the "Miscellaneous" business group.

**Figure 1. Distribution of Sales and Use Tax Collections by Tax Type for Fiscal Years 2010-2017**



**Table 1. Retail Sales and Use Tax Collections by Tax Type in Millions**

	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
<b>Retail Sales Tax</b>	\$1,910.4	\$1,967.5	\$2,064.7	\$2,080.1	\$2,142.3	\$2,242.0	\$2,295.2	\$2,327.3
<b>Retailer's Use Tax</b>	\$274.7	\$298.4	\$317.1	\$347.0	\$360.2	\$381.6	\$371.2	\$392.9
<b>Consumer's Use Tax</b>	\$54.2	\$61.7	\$66.4	\$66.6	\$67.1	\$75.0	\$78.4	\$72.7
<b>FY Totals</b>	\$2,239.3	\$2,327.6	\$2,448.2	\$2,493.7	\$2,569.6	\$2,698.6	\$2,744.8	\$2,792.9

## History of Iowa Retail Sales Tax

A 6 percent tax is imposed on the gross receipts received from the retail sales of tangible personal property in Iowa and from receipts received for the performance of certain taxable services in Iowa. The amount of gross receipts is adjusted by adding the value of goods consumed by businesses that were purchased tax exempt and subtracting the amount of any exempt sales.

The Iowa sales tax was first imposed in 1934 at the rate of 2 percent. The tax was imposed only on the gross receipts received from the sale of tangible personal property; the sale of metered gas, electricity, water, and communication services; and the sale of admissions to places of amusement or athletic events. The tax was set to sunset in three years. On April 1, 1937 the tax was made permanent and a use tax was imposed. On July 1, 1955 the rate was increased to 2.5 percent. The rate was dropped back to 2 percent on July 1, 1957 but was increased to 3 percent effective October 1, 1967. The rate was increased to 4 percent on March 1, 1983, and to 5 percent on July 1, 1992. The most recent increase to 6 percent was effective July 1, 2008. The one percent increase to 6 percent is dedicated to school infrastructure and property tax relief, but is set to be repealed December 31, 2029.

Since 1934 there have been many changes to the Iowa sales tax base. Some of the major sales tax base expansions are listed below:

- April 24, 1947: Retail sales tax was imposed on sales of all forms of amusement devices and commercial amusement enterprises.
- January 1, 1966: Extended tax to hotel and motel rooms.
- October 1, 1967: Extended tax to certain services.
- July 1, 1971: Sales of all vehicles subject to registration were made subject to use tax.
- July 1, 1985: An exception to the exemption for food for human consumption was made for candy, candy-coated items, certain beverages, and certain prepared food.

Some of the major exemptions are listed below:

- July 1, 1974: The sales of food purchased for home consumption, prescription drugs, and medical devices were exempted.
- July 1, 1979: Sales by cities and counties were exempted except utility services.
- July 1, 1987: Purchases of certain farm and industrial equipment and machinery were exempted.
- January 1, 2002: Phase out of Iowa sales tax on residential utilities was passed at a rate of 1 percent per year until the phase out was completed January 1, 2006.



## Year in Review

### Summary of FY 2017 Annual Retail Sales Tax Data

Total retail sales computed tax on returns filed for the fiscal year ending June 30, 2017 was \$2,327.3 million, a 1.4 percent increase from the \$2,295.2 million computed in fiscal year 2016 (see Figure 2). The number of quarterly and annual returns filed decreased from 295,335 in fiscal year 2016 to 293,967 in fiscal year 2017, a 0.5 percent decline (see Table 7).

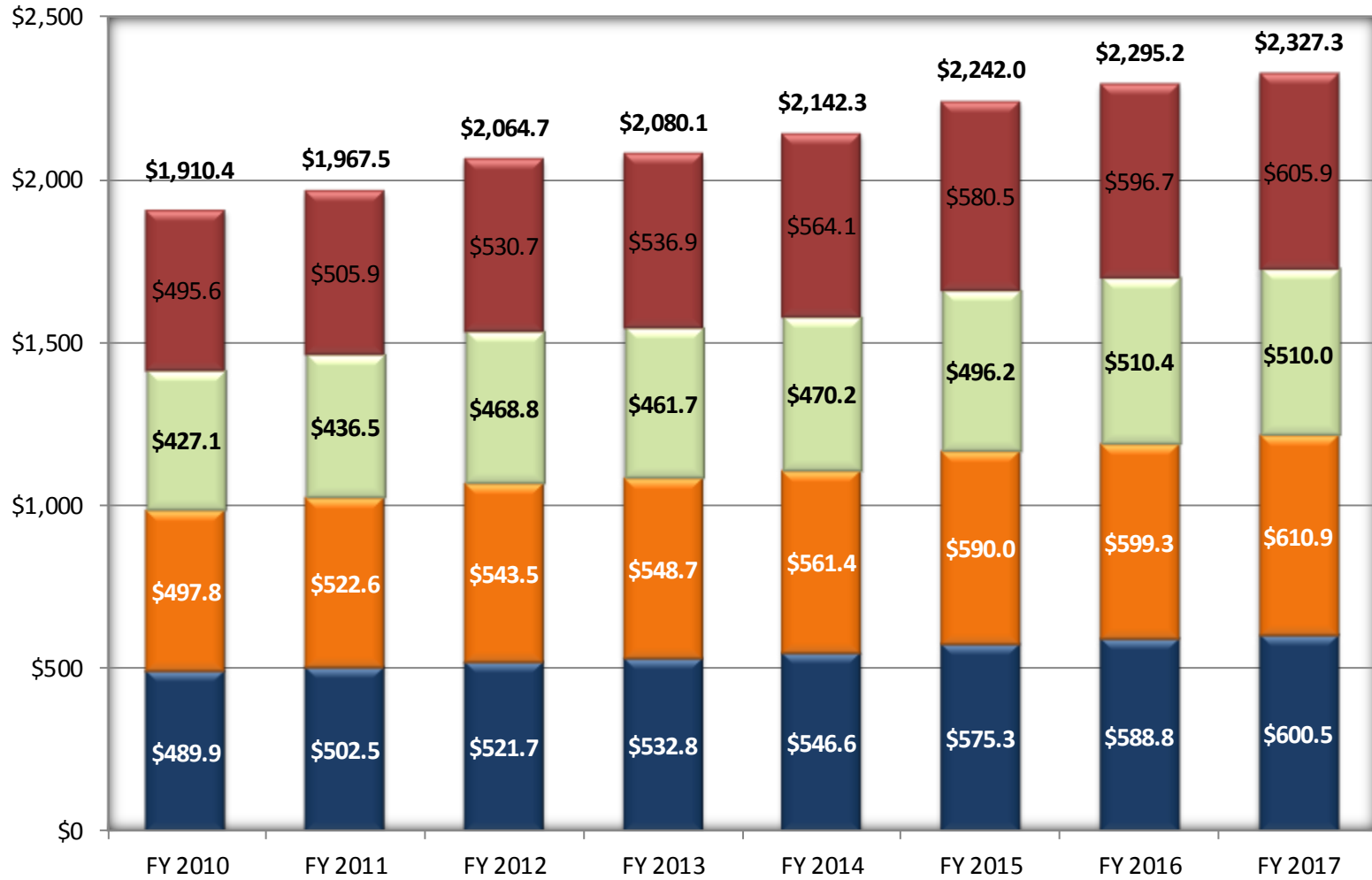
### Summary of FY 2017 Quarterly Retail Sales Tax Data

The December quarter had the most computed tax, 26.2 percent of the 2017 fiscal year total, with the June quarter second at 26.0 percent (see Table 2). The strong December quarter is typical, with the December quarter having the highest share of tax in fiscal years 2010 through 2013 and 2015 through 2017. Fiscal year 2014 was an exception when the June quarter was the strongest.

**Table 2. Distribution of Retail Sales Tax Collections by Quarter**

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
September	25.6%	25.5%	25.3%	25.6%	25.5%	25.7%	25.7%	25.8%
December	26.1%	26.6%	26.3%	26.4%	26.2%	26.3%	26.1%	26.2%
March	22.4%	22.2%	22.7%	22.2%	21.9%	22.1%	22.2%	21.9%
June	25.9%	25.7%	25.7%	25.8%	26.3%	25.9%	26.0%	26.0%
FY Totals	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

**Figure 2. Retail Sales Tax Collections in Millions by Quarter for Fiscal Years 2010-2017**



**Table 3. Retail Sales Tax  
by City Population  
Fiscal Year 2017**

<b>City Population</b>	<b>Number of Returns</b>	<b>Percent of Returns</b>	<b>Computed Tax</b>	<b>Percent of Tax</b>	<b>Growth in Tax From FY 2016</b>
50,000 and Above	76,737	22.74%	\$900,053,081	38.67%	0.66%
25,000 to 50,000	32,981	9.78%	\$315,974,597	13.58%	0.38%
10,000 to 25,000	34,655	10.27%	\$341,396,823	14.67%	2.36%
5,000 to 10,000	46,788	13.87%	\$288,392,165	12.39%	2.46%
2,500 to 5,000	38,945	11.54%	\$181,496,278	7.80%	3.07%
1,000 to 2,500	47,147	13.97%	\$147,123,987	6.32%	2.12%
500 to 1,000	28,267	8.38%	\$76,248,910	3.28%	1.77%
Less than 500	24,133	7.15%	\$59,080,989	2.54%	1.77%
Unincorporated Areas	7,742	2.29%	\$17,528,228	0.75%	-3.98%
<b>State Totals</b>	<b>337,395</b>	<b>100.00%</b>	<b>\$2,327,295,059</b>	<b>100.00%</b>	<b>1.39%</b>

Percentages may not equal 100% due to rounding

**Table 4. Retail Sales Tax  
by Filing Frequency  
Fiscal Year 2017**

<b>Sales Tax Filing Frequency</b>	<b>Number of Quarterly or Annual Returns</b>	<b>Distribution of Quarterly or Annual Returns</b>	<b>Computed Tax</b>	<b>Distribution of Quarterly or Annual Computed Tax</b>	<b>Growth in Tax From FY 2016</b>
Semi-Monthly	35,518	10.53%	\$1,498,976,073	64.41%	0.49%
Monthly	95,476	28.30%	\$661,011,510	28.40%	2.99%
Quarterly	184,111	54.57%	\$160,451,943	6.89%	3.04%
Annual & Other	22,290	6.61%	\$6,855,533	0.29%	12.09%
<b>Total</b>	<b>337,395</b>	<b>100.0%</b>	<b>\$2,327,295,059</b>	<b>100.00%</b>	<b>1.39%</b>

Notes:

Semi-Monthly: Businesses that remit more than \$60,000 per year are required to remit tax receipts electronically twice per month the last payment is due when the quarterly return is filed.

Monthly: Businesses that remit more than \$6,000 but less than \$60,000 per year are required to remit tax receipts once per month the last payment is due when the quarterly return is filed.

Quarterly: Businesses that remit more than \$120 but less than \$6,000 per year are required to remit tax receipts with each quarterly return.

Annual & Other: Businesses that remit less than \$120 per year are required to file an annual return.

**Table 5. Retail Taxable Sales and Tax  
by Amount of Taxable Sales Reported on Quarterly or Annual Return  
Fiscal Year 2017**

<b>Amount of Taxable Sales</b>	<b>Number of Returns</b>	<b>Taxable Sales</b>	<b>Computed Tax</b>	<b>Percent of Tax</b>
\$0-\$499	67,876	\$3,793,130	\$227,225	0.01%
\$500-\$999	12,595	\$9,289,366	\$555,928	0.02%
\$1,000-\$1,999	18,620	\$27,273,481	\$1,632,606	0.07%
\$2,000-\$2,999	13,588	\$33,564,925	\$2,009,210	0.09%
\$3,000-\$3,999	10,986	\$38,204,554	\$2,286,150	0.10%
\$4,000-\$4,999	8,988	\$40,287,060	\$2,411,465	0.10%
\$5,000-\$9,999	30,149	\$217,628,122	\$13,028,276	0.56%
\$10,000-\$24,999	36,105	\$588,433,561	\$35,230,195	1.51%
\$25,000-\$49,999	26,141	\$943,027,398	\$56,462,492	2.43%
\$50,000-\$99,999	24,110	\$1,733,340,938	\$103,699,358	4.46%
\$100,000-\$249,999	24,699	\$3,913,013,917	\$233,392,175	10.03%
\$250,000-\$499,999	10,627	\$3,686,938,922	\$219,285,686	9.42%
\$500,000-\$999,999	5,150	\$3,528,337,313	\$209,241,517	8.99%
\$1,000,000-\$1,999,999	2,262	\$3,112,500,426	\$185,241,643	7.96%
\$2,000,000-\$4,999,999	1,293	\$3,933,294,053	\$234,852,933	10.09%
\$5,000,000-\$9,999,999	469	\$3,183,839,184	\$190,784,101	8.20%
\$10,000,000 and Above	309	\$13,963,745,594	\$836,954,098	35.96%
<b>State Totals</b>	<b>293,967</b>	<b>\$38,956,511,944</b>	<b>\$2,327,295,059</b>	<b>100.00%</b>

Percentages may not sum to totals due to rounding.

The total number of returns does not equal totals presented in the other tables of the report because consolidated returns are counted as only one return in this table.

**Table 6. Total Retail Sales and Exempt Sales  
by Amount of Total Sales  
Fiscal Year 2017**

<b>Amount of Total Sales</b>	<b>Number of Returns</b>	<b>Total Sales</b>	<b>Percent of Total Sales</b>	<b>Exempt Sales</b>	<b>Exempt Sales as Percent of Total Sales</b>
\$0-\$499	56,109	\$4,392,644	0.00%	\$2,086,728	47.51%
\$500-\$999	10,441	\$8,930,484	0.01%	\$3,919,912	43.89%
\$1,000-\$1,999	15,955	\$25,312,114	0.02%	\$10,072,989	39.80%
\$2,000-\$2,999	11,932	\$31,046,784	0.02%	\$12,200,706	39.30%
\$3,000-\$3,999	9,743	\$35,558,287	0.03%	\$13,254,726	37.28%
\$4,000-\$4,999	8,099	\$38,031,001	0.03%	\$13,512,568	35.53%
\$5,000-\$9,999	27,575	\$205,542,721	0.16%	\$72,568,864	35.31%
\$10,000-\$24,999	34,577	\$578,982,858	0.44%	\$228,792,886	39.52%
\$25,000-\$49,999	26,162	\$961,985,973	0.74%	\$384,064,765	39.92%
\$50,000-\$99,999	25,806	\$1,881,840,641	1.44%	\$709,294,415	37.69%
\$100,000-\$249,999	29,440	\$4,754,892,168	3.64%	\$1,848,725,182	38.88%
\$250,000-\$499,999	15,208	\$5,373,147,690	4.11%	\$2,448,329,865	45.57%
\$500,000-\$999,999	9,343	\$6,581,356,154	5.04%	\$3,484,705,848	52.95%
\$1,000,000-\$1,999,999	5,664	\$8,011,800,505	6.13%	\$5,282,407,082	65.93%
\$2,000,000-\$4,999,999	4,345	\$13,596,002,470	10.40%	\$9,448,827,275	69.50%
\$5,000,000-\$9,999,999	1,833	\$12,732,493,854	9.74%	\$9,363,980,574	73.54%
\$10,000,000 and Above	1,735	\$75,866,126,935	58.05%	\$58,404,186,954	76.98%
<b>State Totals</b>	<b>293,967</b>	<b>\$130,687,443,283</b>	<b>100.00%</b>	<b>\$91,730,931,339</b>	<b>70.19%</b>

Total Sales =Gross Sales+Goods Consumed

Gross Sales are all sales of a business.

Goods Consumed are goods originally purchased tax free by a business for direct resale or to be incorporated for resale but were used in the course of business or for personal use.

Exempt sales are sales made by the business in which sales tax was not required to be charged.

**Taxable Sales=(Gross Sales+Goods Consumed-Exempt Sales)**

The total number of returns does not equal totals presented in the other tables.

of the report because consolidated returns are counted as only one return in this table.

**Table 7. Retail Sales Tax  
by Amount of Tax Due Reported on Quarterly or Annual Return  
Fiscal Year 2017**

<b>Amount of Tax Due</b>	<b>Number of Returns</b>	<b>Percent of Returns</b>	<b>Computed Tax</b>	<b>Percent of Tax</b>	<b>Growth in Tax From FY 2016</b>
\$0 - \$24	65,704	22.35%	\$167,701	0.01%	-3.74%
\$25 - \$49	11,018	3.75%	\$409,603	0.02%	-0.06%
\$50 - \$99	17,005	5.78%	\$1,250,031	0.05%	-0.74%
\$100 - \$149	12,810	4.36%	\$1,588,439	0.07%	-1.83%
\$150 - \$199	10,287	3.50%	\$1,792,564	0.08%	-1.56%
\$200 - \$249	8,624	2.93%	\$1,936,161	0.08%	-1.21%
\$250 - \$499	29,526	10.04%	\$10,713,484	0.46%	-1.59%
\$500 - \$999	28,258	9.61%	\$20,223,917	0.87%	-0.27%
\$1,000 - \$1,499	15,749	5.36%	\$19,400,861	0.83%	-2.05%
\$1,500 - \$1,999	10,839	3.69%	\$18,836,146	0.81%	1.13%
\$2,000 - \$2,499	8,460	2.88%	\$18,966,870	0.81%	-1.64%
\$2,500 - \$2,999	6,847	2.33%	\$18,773,960	0.81%	-1.02%
\$3,000 - \$3,999	10,151	3.45%	\$35,252,428	1.51%	-1.03%
\$4,000 - \$4,999	7,791	2.65%	\$34,876,198	1.50%	-1.74%
\$5,000 - \$9,999	21,368	7.27%	\$151,655,186	6.52%	0.25%
\$10,000 - \$24,999	17,957	6.11%	\$277,196,335	11.91%	1.56%
\$25,000 - \$49,999	6,344	2.16%	\$217,419,449	9.34%	1.69%
\$50,000 - \$99,999	2,729	0.93%	\$187,646,574	8.06%	-0.17%
\$100,000 - \$199,999	1,317	0.45%	\$183,218,221	7.87%	-1.11%
\$200,000 - \$499,999	807	0.27%	\$252,558,339	10.85%	2.70%
\$500,000 - \$999,999	202	0.07%	\$139,161,666	5.98%	-4.73%
\$1,000,000 and Above	174	0.06%	\$734,250,927	31.55%	4.02%
<b>State Totals</b>	<b>293,967</b>	<b>100.00%</b>	<b>\$2,327,295,059</b>	<b>100.00%</b>	<b>1.39%</b>

Percentages may not sum to totals due to rounding.

The total number of returns does not equal totals presented in the other tables of the report because consolidated returns are counted as only one return in this table.



**Table 8. Change in Retail Sales Tax Returns, Establishments and Computed Tax  
by Business Group for Fiscal Years 2016 and 2017**

Business Group	Number of Returns			Number of Establishments			Computed Tax		
	FY 2016	FY 2017	Percent Change	FY 2016	FY 2017	Percent Change	FY 2016	FY 2017	Percent Change
Apparel	6,225	6,215	-0.16%	1,877	1,908	1.65%	\$64,035,090	\$61,554,138	-3.87%
Building Materials	5,943	5,695	-4.17%	1,762	1,722	-2.27%	\$165,801,567	\$171,769,325	3.60%
Eating and Drinking	30,362	30,720	1.18%	8,610	8,769	1.85%	\$253,690,430	\$258,376,588	1.85%
Food Dealers	12,724	12,607	-0.92%	3,575	3,548	-0.76%	\$208,692,021	\$211,184,264	1.19%
General Merchandise	3,073	3,067	-0.20%	852	858	0.70%	\$283,183,667	\$280,596,700	-0.91%
Home Furnishings	5,917	5,750	-2.82%	1,791	1,740	-2.85%	\$74,142,026	\$73,679,803	-0.62%
Miscellaneous	49,763	49,819	0.11%	15,657	15,611	-0.29%	\$184,898,036	\$187,301,315	1.30%
Motor Vehicle	9,340	9,241	-1.06%	2,769	2,752	-0.61%	\$111,602,318	\$114,253,703	2.38%
Services	126,900	127,633	0.58%	40,085	39,791	-0.73%	\$311,079,755	\$316,015,775	1.59%
Specialty Retail	56,083	56,480	0.71%	22,857	22,956	0.43%	\$183,122,171	\$184,933,118	0.99%
Utilities and Transportation	14,134	13,029	-7.82%	3,631	3,581	-1.38%	\$220,188,699	\$235,783,160	7.08%
Wholesale	17,346	17,139	-1.19%	5,168	5,029	-2.69%	\$234,863,639	\$231,847,170	-1.28%
<b>State Totals</b>	<b>337,810</b>	<b>337,395</b>	<b>-0.12%</b>	<b>108,634</b>	<b>108,265</b>	<b>-0.34%</b>	<b>\$2,295,299,418</b>	<b>\$2,327,295,059</b>	<b>1.39%</b>

The number of returns counts total quarterly or annual returns filed by businesses. The number of establishments counts the unique number of businesses that filed at least one return during the fiscal year.

Computed tax equals taxable goods and services subject to the 6% State sales tax multiplied by that rate plus hotel/motel room rentals and qualified construction equipment purchases subject to the 5% State excise tax multiplied by that rate.

## History of Iowa Use Taxes

Effective July 1, 2008, Iowa raised the use tax to 6 percent of the purchase price of tangible personal property which is purchased outside of Iowa for use in Iowa. The tax is also owed on taxable services purchased outside of Iowa when such services or the result of such services are used in Iowa.

A use tax was first imposed in Iowa in 1937 in conjunction with the permanent adoption of the sales tax. Since its adoption, the development of the use tax has generally paralleled that of the sales tax both in terms of tax base and rates. Credits are provided, however, against the amount of use tax due in Iowa for any sales, use, or occupational taxes paid to another state.

Iowa use tax is collected under two complementary use taxes: Retailer's Use Tax and Consumer's Use Tax. Beginning July 1, 2008 the Motor Vehicle Use Tax was replaced with a one-time registration fee on new and used vehicles.

(1) Retailer's Use Tax is collected by registered retailers from the purchaser on the sale of all taxable tangible property and services. Retailers located outside of the State who maintain a place of business in Iowa are required to register with the Department of Revenue and collect the tax on all sales made into Iowa.

(2) Consumer's Use Tax is paid by individuals or businesses that purchase taxable goods or services outside of Iowa for use in the State. Individuals or businesses that regularly purchase taxable goods or services of property on which the tax has not been paid are required to file a quarterly Consumer's Use Tax return in conjunction with payment of the tax. Individuals who make occasional taxable purchases for use in Iowa are also required to remit Consumer's Use Tax, but do not need to register for a use tax permit.

(3) A 5 percent one-time registration fee is imposed on the sale of new and used motor vehicles which are subject to registration in Iowa. The tax is imposed on the taxable price which is the delivered price less cash discounts and the value of any traded property. Payment of the tax is made to the County Treasurer where the vehicle is registered. Credits are also provided for sales or use taxes paid on motor vehicles to other states.

**Table 9. Iowa Use Taxes  
Fiscal Year 2017**

<b>Retailer's Use Tax by Business Group</b>					
<b>Business Group</b>	<b>Number of Returns</b>	<b>Percent of Returns</b>	<b>Taxable Sales</b>	<b>Computed Tax</b>	<b>Percent of Tax</b>
Apparel	623	1.10%	\$132,008,414	\$7,920,505	2.02%
Building Materials	1,110	1.96%	\$155,303,600	\$9,318,216	2.37%
Eating and Drinking	429	0.76%	\$16,474,427	\$988,466	0.25%
Food Dealers	353	0.62%	\$57,918,126	\$3,475,088	0.88%
General Merchandise	126	0.22%	\$76,199,493	\$4,571,970	1.16%
Home Furnishings	1,193	2.11%	\$102,552,542	\$6,153,153	1.57%
Miscellaneous	14,381	25.41%	\$1,151,479,586	\$69,083,182	17.58%
Motor Vehicle	703	1.24%	\$53,236,265	\$3,194,176	0.81%
Services	14,237	25.15%	\$1,106,327,229	\$66,365,193	16.89%
Specialty Retail	11,954	21.12%	\$1,262,877,577	\$75,747,366	19.28%
Utilities and Transportation	2,613	4.62%	\$1,373,582,062	\$82,414,924	20.97%
Wholesale	8,881	15.69%	\$1,064,094,032	\$63,698,639	16.21%
<b>State Totals</b>	<b>56,603</b>	<b>100.00%</b>	<b>\$6,552,053,353</b>	<b>\$392,930,876</b>	<b>100.00%</b>

Computed tax equals taxable goods and services subject to the 6% State sales tax multiplied by that rate plus hotel/motel room rentals and qualified construction equipment purchases subject to the 5% State excise tax

**Comparison of Use Taxes  
Fiscal Year 2016 and 2017**

<b>Use Tax</b>	<b>2016</b>	<b>2017</b>	<b>Percentage Change</b>
<b>Retailer's</b>			
Number of Returns	54,345	56,603	4.15%
Computed Tax	\$371,293,745	\$392,930,876	5.83%
<b>Consumer's</b>			
Number of Returns	26,190	26,066	-0.47%
Computed Tax	\$78,400,029	\$72,684,560	-7.29%
<b>Motor Vehicle</b>			
Number of Units	1,002,978	1,019,195	1.62%
Fee	\$323,835,599	\$338,817,892	4.63%
<b>Consumer's Remitted for Occasional Purchases</b>			
Number of Payments	927	697	-24.81%
Remitted Tax	\$569,783	\$504,000	-11.55%

**Table 10. Retailer's Use Tax  
by Amount of Tax Due on Quarterly or Annual Returns  
Fiscal Year 2017**

<b>Amount of Tax Due</b>	<b>Number of Returns</b>	<b>Percent of Returns</b>	<b>Computed Tax</b>	<b>Percent of Tax</b>	<b>Growth in Tax From FY 2016</b>
\$0 - \$24	22,212	39.24%	\$29,125	0.01%	13.67%
\$25 - \$49	1,712	3.02%	\$62,792	0.02%	9.61%
\$50 - \$99	2,387	4.22%	\$175,154	0.04%	9.55%
\$100 - \$149	1,749	3.09%	\$215,102	0.05%	8.47%
\$150 - \$199	1,408	2.49%	\$244,522	0.06%	11.17%
\$200 - \$249	1,133	2.00%	\$253,996	0.06%	2.07%
\$250 - \$499	3,963	7.00%	\$1,437,022	0.37%	0.18%
\$500 - \$999	4,241	7.49%	\$3,073,022	0.78%	2.41%
\$1,000 - \$1,499	2,448	4.32%	\$3,020,678	0.77%	0.20%
\$1,500 - \$1,999	1,695	2.99%	\$2,942,135	0.75%	-3.24%
\$2,000 - \$2,499	1,318	2.33%	\$2,937,725	0.75%	0.91%
\$2,500 - \$2,999	1,081	1.91%	\$2,970,111	0.76%	6.27%
\$3,000 - \$3,999	1,594	2.82%	\$5,542,373	1.41%	2.20%
\$4,000 - \$4,999	1,220	2.16%	\$5,463,311	1.39%	7.38%
\$5,000 - \$9,999	3,108	5.49%	\$22,161,445	5.64%	1.95%
\$10,000 - \$24,999	2,745	4.85%	\$43,428,227	11.05%	5.39%
\$25,000 - \$49,999	1,235	2.18%	\$43,248,853	11.01%	-3.95%
\$50,000 - \$99,999	698	1.23%	\$48,691,963	12.39%	3.30%
\$100,000 and Above	656	1.16%	\$207,033,319	52.69%	9.79%
<b>State Totals</b>	<b>56,603</b>	<b>100.00%</b>	<b>\$392,930,876</b>	<b>100.00%</b>	<b>5.83%</b>

**Table 11. Consumer's Use Tax  
by Amount of Tax Due on Quarterly Returns or Annual Returns  
Fiscal Year 2017**

<b>Amount of Tax Due</b>	<b>Number of Returns</b>	<b>Percent of Returns</b>	<b>Computed Tax</b>	<b>Percent of Tax</b>	<b>Growth in Tax From FY 2016</b>
\$0 - \$24	11,514	44.17%	\$26,896	0.04%	0.15%
\$25 - \$49	1,434	5.50%	\$52,452	0.07%	-10.49%
\$50 - \$99	1,833	7.03%	\$133,370	0.18%	-3.36%
\$100 - \$149	1,155	4.43%	\$142,919	0.20%	-0.46%
\$150 - \$199	889	3.41%	\$154,718	0.21%	-1.58%
\$200 - \$249	703	2.70%	\$157,717	0.22%	6.77%
\$250 - \$499	2,008	7.70%	\$722,644	0.99%	-0.15%
\$500 - \$999	1,782	6.84%	\$1,268,397	1.75%	-0.81%
\$1,000 - \$1,499	948	3.64%	\$1,155,852	1.59%	1.93%
\$1,500 - \$1,999	609	2.34%	\$1,054,569	1.45%	0.47%
\$2,000 - \$2,499	392	1.50%	\$871,434	1.20%	-8.88%
\$2,500 - \$2,999	277	1.06%	\$759,621	1.05%	-16.64%
\$3,000 - \$3,999	444	1.70%	\$1,536,721	2.11%	0.42%
\$4,000 - \$4,999	278	1.07%	\$1,248,769	1.72%	-0.55%
\$5,000 - \$9,999	703	2.70%	\$4,950,906	6.81%	-3.91%
\$10,000 - \$24,999	681	2.61%	\$10,620,861	14.61%	3.02%
\$25,000 - \$49,999	232	0.89%	\$8,156,480	11.22%	-2.53%
\$50,000 - \$99,999	90	0.35%	\$5,993,892	8.25%	-25.99%
\$100,000 and Above	94	0.36%	\$33,676,344	46.33%	-8.88%
<b>State Totals</b>	<b>26,066</b>	<b>100.00%</b>	<b>\$72,684,562</b>	<b>100.00%</b>	<b>-7.29%</b>