



Department of Revenue

**Retail Sales and Use Taxes
Annual Report
Fiscal Year 2025**

**Released
February 2026**

**By
Robert Thelen**

**Tax Research Bureau
Iowa Department of Revenue**

**IOWA DEPARTMENT OF REVENUE
RETAIL SALES AND USE TAX ANNUAL REPORT
FISCAL YEAR 2025
TABLE OF CONTENTS**

Background

Foreword 1
Glossary 3

Tax Collection Distributions

Table 1. Retail Sales and Use Tax Collections by Tax Type in Millions
for Fiscal Years 2016-2025 4
Figure 1. Distribution of Sales and Use Tax Collections by Tax Type
for Fiscal Years 2021-2025 5

Retail Sales Tax Summary

History of Iowa Retail Sales Tax 6
Year in Review 7

Retail Sales Tax Statistics

Table 2. Distribution of Retail Sales Tax Collections by Quarter
for Fiscal Years 2016-2025 8
Figure 2. Retail Sales Tax Collections in Millions by Quarter
for Fiscal Years 2021-2025 9
Table 3. Retail Sales Tax by City Population 10
Table 4. Retail Sales Tax by Filing Frequency 11
Table 5. Retail Taxable Sales and Tax by Amount of Taxable Sales 12
Table 6. Total Retail Sales and Exempt Sales by Amount of Total Sales 13
Table 7. Retail Sales Tax by Amount of Tax Due 14
Table 8. Change in Retail Sales Tax Returns, Establishments,
and Computed Tax by Business Group 15

Use Tax Summary

History of Iowa Use Taxes 16

Use Tax Statistics

Table 9. Iowa Use Taxes 17
Table 10. Retailer's Use Tax by Amount of Tax Due 18
Table 11. Consumer's Use Tax by Amount of Tax Due 19

Remote Sellers Tax Statistics

Table 12. Remote Sellers Tax by Amount of Tax Due 20

Foreword

The Iowa Department of Revenue Retail Sales and Use Taxes Annual Report provides a detailed summary of Iowa retail sales and use tax collections and distributions for the complete fiscal year. The State fiscal year covers the period between July 1 through June 30. The fiscal year (FY) 2025 report pertains to sales from July 1, 2024 through June 30, 2025. In addition, each fiscal year, the Department publishes a Quarterly Retail Sales and Use Tax Report for each of the four quarters ending September 30, December 31, March 31, and June 30. The annual and quarterly reports are published on the Department's [website](#).

Tax Collection Distributions: Information concerning distributions is reported on pages 4 and 5 of this report. In FY 2025, \$4.16 billion in tax was reported on sales and use tax returns filed with the Department of Revenue (see Table 1). Of that tax, 72.0 percent was reported on retail sales tax returns, 17.4 percent on retailer's use tax returns, 1.3 percent on consumer's use tax returns, and 9.4 percent on Remote Seller returns (see Figure 1). There was a decrease in the share associated with retail sales, while there was an increase in the share associated with remote sales, retailer's use and consumer's use over last year. The remote seller's category is for retailers located outside of Iowa who do not have physical nexus in the state; the Department began use of this category in January 2019. The data recorded on sales and use tax returns and aggregated in this report reflects the fiscal year in which the economic activity occurred. In contrast, fiscal year cash receipts include payments that represent economic activity in other fiscal years; thus, numbers in this report do not equal cash receipts for a fiscal year.

Retail Sales Tax Summary: This section (pages 6 and 7 of this report) contains a brief history of the development of the Iowa retail sales tax, listing some major legislation that changed the Iowa sales tax base.

Retail sales activity by type of business is classified using the 2017 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. However, between the fourth quarter of fiscal year 2013 and the first quarter of 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 was engaged. These business classes comprise the business groups presented in several tables; because of these business class reassignments the data in this report is not comparable to that provided in reports prior to FY 2014. However, the Department has updated historical taxable sales data to be consistent with the current business group classifications; this data is posted by county for FY 2000 through the most recent quarter on data.iowa.gov. In FY 2022 the Department adopted a system that groups Retail sales tax by NAICS 2017 numbers.

Retail Sales Tax Statistics: This section (beginning on page 8 of this report) details various aspects of retail sales tax 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 Excel file that accompanies this annual report: (1) "Retail Sales by County" provides total returns filed, taxable sales and computed tax as well as a count of unique establishments in each county that filed at least one return during the fiscal year. (2) "Retail Sales by County and City" provides data for all cities in Iowa where at least ten permits were filed during the fiscal year. The "Other" category provides data for all cities in each county not meeting the minimum number of permits required for reporting and any retailers located in unincorporated areas. (3) "Retail Sales by County and Group" provides data by business group for each of twelve business groups for each county. Breakouts are provided for each business group within a county where at least five or more permits were filed in a fiscal year. An "S", representing "Suppressed", is used for any business group that does not have at least five permits. (4) "Retail Sales by Business Classification" provides statewide data for each of the business groups further broken out into 82 business classifications. In order to protect the confidentiality of individual businesses, information for any business classification with fewer than ten permits filed during the fiscal year are aggregated under the "Unclassified" category in the "Miscellaneous" group.

Use Tax Summary: This section (page 16) provides a history of the development of the Iowa Use Tax and a summary of the various types of use taxes.

Use Tax Statistics: This section begins on page 17 of this report; it contains retailer's use and consumer's use tax receipts in Tables 9 through 11.

The spreadsheet that accompanies the present report contains the following use tax data (1) "Retailer's Use by Business Class" provides sales by out-of-state retailers to Iowa taxpayers by the twelve business groups and 82 business classifications. In order to protect the confidentiality of individual businesses, information for any business classification with fewer than ten permits filed during the fiscal year are aggregated with the "Unclassified" category in the "Miscellaneous" group; (2) "Consumer's Use Tax by Business Class" provides purchases by Iowa taxpayers for each of the business groups further broken out into 82 business classifications. In order to protect the confidentiality of individual businesses, information for any business classification with fewer than ten permits 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

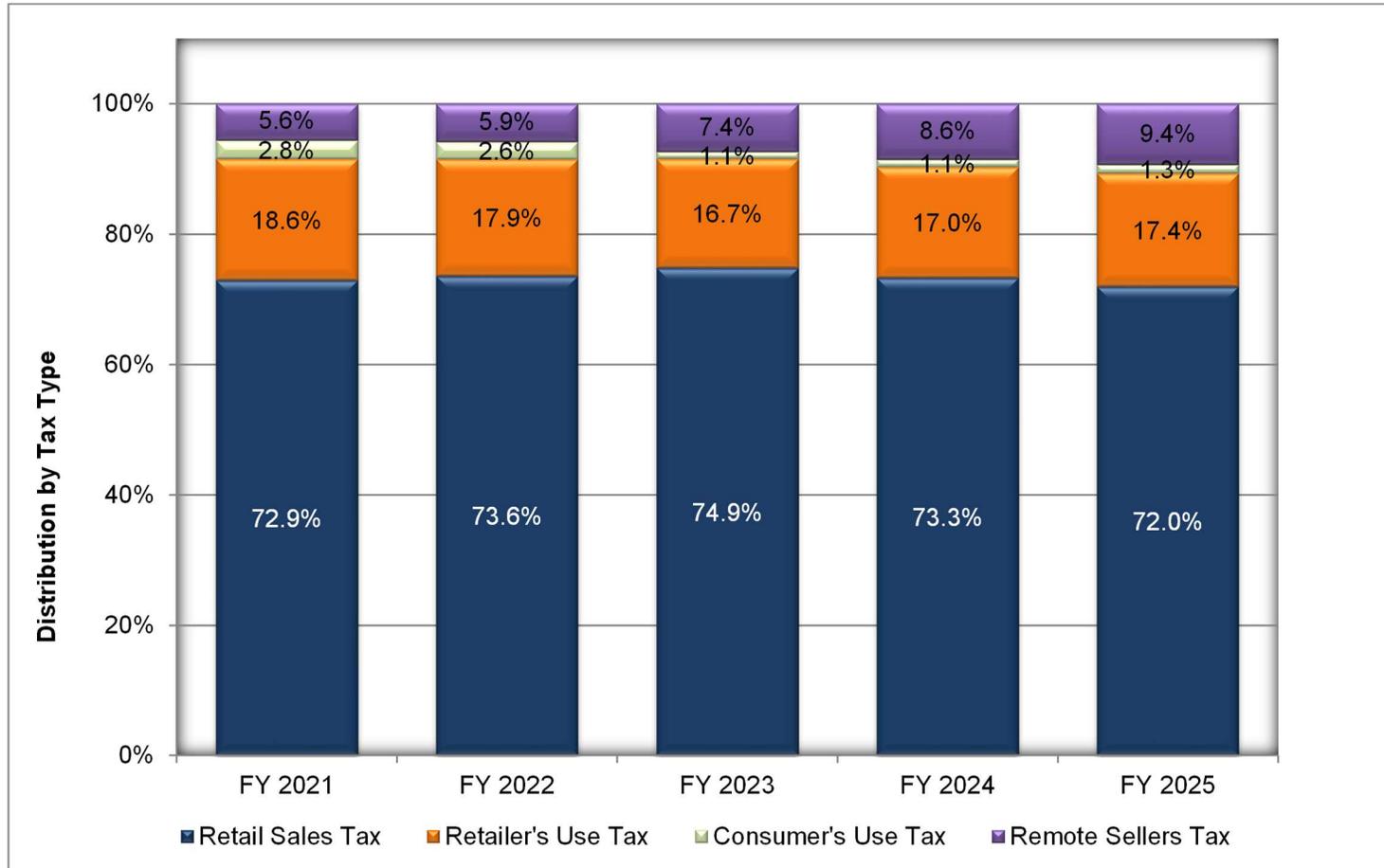
BUSINESS CLASSIFICATION	Business classifications are based on the major type of activity performed by the business. As a result, business classifications may include sales other than normally suggested by the class title. Classifications are based on the 2017 North American Industry Classification System (NAICS).
BUSINESS GROUP	Consolidation of related business classifications into twelve broader business groups.
COMPUTED TAX	The applicable tax rate times the taxable sales.
CONSOLIDATED FILER	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.
NUMBER OF RETURNS	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.
NUMBER OF ESTABLISHMENTS	An establishment is each unique location where business is conducted and which 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 locations.
OTHER	Includes all businesses located in unincorporated areas of a county and those cities with fewer than ten permits filed for the annual report.
TAXABLE SALES	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.
UNCLASSIFIED	Includes all businesses where fewer than five permits were filed for the applicable business classification during the fiscal year. These are included in the "Miscellaneous" business group.

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

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Retail Sales Tax	\$2,295.2	\$2,327.3	\$2,349.5	\$2,360.3	\$2,332.8	\$2,553.0	\$2,834.1	\$2,966.7	\$2,998.4	\$2,990.7
Retailer's Use Tax	\$371.2	\$392.9	\$428.4	\$522.0	\$577.5	\$650.6	\$689.8	\$661.8	\$694.8	\$722.1
Consumer's Use Tax	\$78.4	\$72.7	\$78.4	\$79.5	\$74.2	\$99.1	\$100.4	\$41.8	\$45.2	\$54.0
Remote Sellers Tax	\$0.0	\$0.0	\$0.0	\$49.8	\$150.9	\$197.6	\$226.8	\$292.6	\$350.8	\$389.4
FY Totals	\$2,744.8	\$2,792.9	\$2,856.3	\$3,011.6	\$3,135.4	\$3,500.3	\$3,851.1	\$3,963.0	\$4,089.2	\$4,156.2

Note: Collections are based on return data filed by businesses, and are not the same as cash receipts

Figure 1. Distribution of Sales and Use Tax Collections by Tax Type for Fiscal Years 2021-2025



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.
- January 1, 2019: Senate File 2417 expanded the sales and use tax base to include additional types of items and services, including digital goods, ride sharing, subscription services, online sellers, online marketplaces, and online travel company websites. In addition, Senate File 2417 imposed new requirements for the collection of sales and use tax on online marketplace facilitators and out-of-state retailers.

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 2025 Annual Retail Sales Tax Data

Total retail sales computed tax on returns filed for the fiscal year ending June 30, 2025 was \$2,990.7 million, a 0.26 percent decrease from the \$2,998.4 million computed in fiscal year 2024 (see Figure 2). The number of quarterly and annual returns filed increased from 792,088 in fiscal year 2024 to 806,858 in fiscal year 2025, a 1.86 percent increase (see Table 7 & 8).

Table 2. Distribution of Retail Sales Tax Collections by Quarter

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
September	25.7%	25.8%	25.8%	26.5%	26.7%	25.0%	25.4%	26.1%	25.8%	25.9%
December	26.1%	26.2%	26.0%	26.4%	26.7%	24.9%	25.8%	25.8%	26.4%	26.0%
March	22.2%	21.9%	22.0%	21.2%	21.8%	22.3%	22.1%	21.8%	22.1%	22.1%
June	26.0%	26.0%	26.2%	25.9%	24.8%	27.8%	26.8%	26.2%	25.7%	26.0%
FY Totals	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Note: Collections are based on return data filed by businesses, and are not the same as cash receipts

Figure 2. Retail Sales Tax Collections in Millions by Quarter Fiscal Years 2021-2025

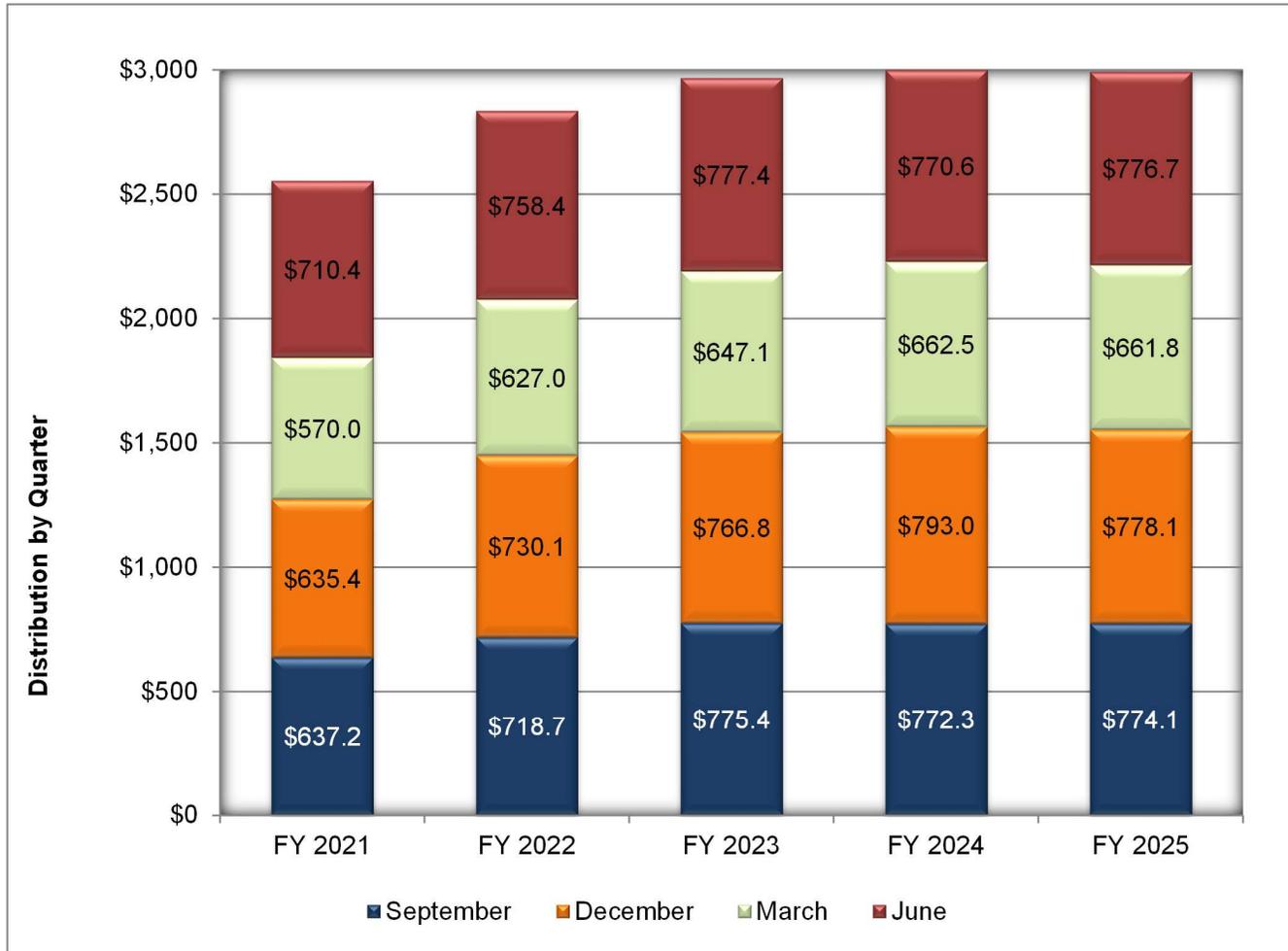


Table 3. Retail Sales Tax by City Population Fiscal Year 2025

City Population	Number of \$0 Returns	Number of Returns over \$0	Total Number of Returns	Percent of Returns	Growth in Returns From FY 2024	Computed Tax	Percent of Tax	Growth in Tax From FY 2024
50,000 and Above	49,945	168,800	218,745	27.11%	0.96%	\$1,256,522,920	42.01%	0.19%
25,000 to 50,000	16,124	57,033	73,157	9.07%	1.20%	\$336,337,566	11.25%	-1.84%
10,000 to 25,000	24,340	93,127	117,467	14.56%	2.24%	\$567,412,211	18.97%	0.07%
5,000 to 10,000	22,883	84,193	107,076	13.27%	1.42%	\$312,625,634	10.45%	-0.53%
2,500 to 5,000	14,503	57,384	71,887	8.91%	1.99%	\$175,046,069	5.85%	-0.60%
1,000 to 2,500	19,140	69,797	88,937	11.02%	1.94%	\$156,192,034	5.22%	0.57%
500 to 1,000	11,551	43,873	55,424	6.87%	2.86%	\$82,544,101	2.76%	-1.60%
Less than 500	12,694	41,068	53,762	6.66%	3.26%	\$71,922,700	2.40%	-0.50%
Unincorporated Areas	5,525	14,902	20,427	2.53%	7.45%	\$32,111,343	1.07%	-1.87%
State Totals	176,705	630,177	806,882		1.86%	\$2,990,714,577		-0.26%

Percentages may not equal 100% due to rounding

Table 4. Retail Sales Tax by Filing Frequency Fiscal Year 2025

Sales Tax Filing Frequency	Number of \$0 Returns	Number of Returns over \$0	Total Number of Returns	Distribution of Quarterly or Annual Returns	Growth in Quarterly or Annual Returns From FY 2024	Computed Tax	Distribution of Quarterly or Annual Computed Tax	Growth in Tax From FY 2024
Monthly	167,569	611,483	779,052	96.55%	2.40%	\$2,982,393,657	99.72%	-0.25%
Annually	8,377	17,881	26,258	3.25%	-12.53%	\$6,833,876	0.23%	-9.19%
Seasonal	759	813	1,572	0.19%	21.11%	\$1,487,044	0.05%	60.33%
Total	176,705	630,177	806,882	100.0%	1.9%	\$2,990,714,577	100.0%	-0.3%

Notes:

Monthly: Businesses that remit more than \$1,200 per year in sales and use tax are required to remit tax receipts electronically once per month due on or before the last day of the following month.

Annually: Businesses that remit less than \$1,200 per year in sales and use tax are required to remit tax receipts and a return on or before January 31 each calendar year electronically or by paper.

Seasonal: Businesses that remit more than \$1,200 in sales and use tax in four or less months per year are required to remit tax receipts electronically, and it is due on or before the last day of the following month.

Table 5. Retail Taxable Sales and Tax by Amount of Taxable Sales Reported on Quarterly or Annual Returns Fiscal Year 2025

Amount of Taxable Sales	Number of Returns	Taxable Sales	Computed Tax	Percent of Tax
\$0 returns	109,393	\$0	\$0	0.00%
\$0-\$499	13,989	\$551,382	\$33,072	0.00%
\$500-\$999	5,773	\$1,275,336	\$76,444	0.00%
\$1,000-\$1,999	8,139	\$3,778,063	\$226,452	0.01%
\$2,000-\$2,999	6,612	\$4,833,856	\$289,652	0.01%
\$3,000-\$3,999	6,082	\$5,933,985	\$355,577	0.01%
\$4,000-\$4,999	5,430	\$6,599,865	\$395,547	0.01%
\$5,000-\$9,999	21,049	\$37,503,197	\$2,247,373	0.08%
\$10,000-\$24,999	53,254	\$144,372,330	\$8,649,583	0.29%
\$25,000-\$49,999	82,696	\$294,924,956	\$17,671,710	0.59%
\$50,000-\$99,999	91,918	\$591,754,540	\$35,470,113	1.19%
\$100,000-\$249,999	113,371	\$1,609,375,500	\$96,412,693	3.22%
\$250,000-\$499,999	84,638	\$2,582,915,844	\$154,639,714	5.17%
\$500,000-\$999,999	79,612	\$4,770,937,859	\$285,302,826	9.54%
\$1,000,000-\$1,999,999	65,257	\$7,616,502,958	\$455,696,354	15.24%
\$2,000,000-\$4,999,999	42,376	\$10,218,555,586	\$609,628,086	20.38%
\$5,000,000-\$9,999,999	10,062	\$5,563,997,663	\$332,548,359	11.12%
\$10,000,000 and Above	7,231	\$16,545,906,988	\$991,071,021	33.14%
State Totals	806,882	\$49,999,719,908	\$2,990,714,576	100.00%

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 Reported on Quarterly or Annual Returns Fiscal Year 2025

Amount of Total Sales	Number of Returns	Total Sales	Percent of Total Sales	Exempt Sales	Exempt Sales as Percent of Total Sales
\$0 returns	109,393	\$0	0.00%	\$0	0.00%
\$0-\$499	5,674	\$404,632	0.00%	\$73,816	18.24%
\$500-\$999	4,698	\$982,999	0.00%	\$59,863	6.09%
\$1,000-\$1,999	6,194	\$2,903,936	0.00%	\$217,447	7.49%
\$2,000-\$2,999	5,266	\$3,877,800	0.00%	\$337,816	8.71%
\$3,000-\$3,999	4,740	\$4,730,559	0.00%	\$417,765	8.83%
\$4,000-\$4,999	4,348	\$5,367,820	0.00%	\$698,032	13.00%
\$5,000-\$9,999	17,026	\$31,405,287	0.02%	\$4,150,597	13.22%
\$10,000-\$24,999	43,841	\$124,623,020	0.07%	\$14,175,384	11.37%
\$25,000-\$49,999	69,168	\$259,851,410	0.15%	\$32,858,564	12.65%
\$50,000-\$99,999	79,462	\$537,263,496	0.31%	\$86,085,382	16.02%
\$100,000-\$249,999	103,682	\$1,556,622,849	0.91%	\$340,845,440	21.90%
\$250,000-\$499,999	82,550	\$2,649,880,409	1.54%	\$672,098,852	25.36%
\$500,000-\$999,999	81,646	\$5,121,019,234	2.98%	\$1,509,394,970	29.47%
\$1,000,000-\$1,999,999	72,403	\$8,853,071,199	5.15%	\$2,997,848,100	33.86%
\$2,000,000-\$4,999,999	58,018	\$15,480,511,286	9.00%	\$7,855,505,464	50.74%
\$5,000,000-\$9,999,999	26,201	\$15,845,137,167	9.22%	\$10,021,832,189	63.25%
\$10,000,000 and Above	32,572	\$121,437,753,415	70.64%	\$100,448,181,738	82.72%
State Totals	806,882	\$171,915,406,518	100.00%	\$123,984,781,419	72.12%

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.

Table 7. Retail Sales Tax by Amount of Tax Due Reported on Quarterly or Annual Returns Fiscal Year 2025

Amount of Tax Due	Growth in			Computed Tax	Growth in	
	Number of Returns	Percent of Returns	Returns From FY 2024		Percent of Tax	Tax From FY 2024
\$0 returns	115,898	14.36%	2.70%	\$0	0.00%	0.00%
\$0 - \$24	6,512	0.81%	7.14%	\$24,160	0.00%	-5.31%
\$25 - \$49	5,325	0.66%	9.86%	\$57,128	0.00%	-6.93%
\$50 - \$99	7,186	0.89%	-3.10%	\$170,757	0.01%	-6.53%
\$100 - \$149	6,132	0.76%	4.95%	\$224,385	0.01%	-4.75%
\$150 - \$199	5,260	0.65%	3.50%	\$268,803	0.01%	-8.22%
\$200 - \$249	4,805	0.60%	2.58%	\$300,099	0.01%	-8.94%
\$250 - \$499	19,269	2.39%	12.03%	\$1,814,096	0.06%	-2.07%
\$500 - \$999	29,892	3.70%	10.31%	\$4,394,422	0.15%	-2.61%
\$1,000 - \$1,499	29,872	3.70%	7.92%	\$5,044,668	0.17%	-1.65%
\$1,500 - \$1,999	30,876	3.83%	2.79%	\$5,581,151	0.19%	-1.98%
\$2,000 - \$2,499	27,504	3.41%	3.22%	\$5,960,982	0.20%	2.04%
\$2,500 - \$2,999	24,144	2.99%	4.00%	\$6,135,499	0.21%	1.49%
\$3,000 - \$3,999	38,767	4.80%	-0.54%	\$12,298,106	0.41%	-2.26%
\$4,000 - \$4,999	30,352	3.76%	5.26%	\$12,142,908	0.41%	3.71%
\$5,000 - \$9,999	85,606	10.61%	-1.11%	\$53,961,914	1.80%	-2.49%
\$10,000 - \$24,999	113,390	14.05%	0.48%	\$157,502,647	5.27%	-0.92%
\$25,000 - \$49,999	81,252	10.07%	-0.01%	\$243,669,788	8.15%	0.48%
\$50,000 - \$99,999	70,441	8.73%	-0.31%	\$413,511,418	13.83%	-0.59%
\$100,000 - \$199,999	44,683	5.54%	-0.28%	\$499,758,631	16.71%	-1.21%
\$200,000 - \$499,999	20,685	2.56%	1.04%	\$497,257,345	16.63%	-0.09%
\$500,000 - \$999,999	5,113	0.63%	4.43%	\$283,258,547	9.47%	2.64%
\$1,000,000 and Above	3,918	0.49%	-4.53%	\$787,377,124	26.33%	-0.53%
State Totals	806,882		1.86%	\$2,990,714,578		-0.26%

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 2024 and 2025

Number of Returns							
Business Group	Number of \$0 Returns	Number of Returns over \$0	Total Number of Returns FY 2024	Number of \$0 Returns	Number of Returns over \$0	Total Number of Returns FY 2025	Percent Change
Apparel	3,938	14,665	18,603	4,084	14,317	18,401	-1.09%
Building Materials	931	13,794	14,725	866	13,424	14,290	-2.95%
Eating and Drinking	11,829	84,439	96,268	12,952	86,238	99,190	3.04%
Food Dealers	3,753	26,389	30,142	3,780	26,313	30,093	-0.16%
General Merchandise	2,925	18,080	21,005	3,408	18,789	22,197	5.67%
Home Furnishings	2,122	12,943	15,065	1,358	13,097	14,455	-4.05%
Miscellaneous	24,657	115,882	140,539	21,123	117,189	138,312	-1.58%
Motor Vehicle	3,225	21,648	24,873	3,638	21,570	25,208	1.35%
Services	32,425	234,389	266,814	35,785	239,536	275,321	3.19%
Specialty Retail	12,173	72,105	84,278	12,152	75,301	87,453	3.77%
Utilities and Transportation	3,224	33,669	36,893	3,648	34,026	37,674	2.12%
Wholesale	5,720	37,163	42,883	6,575	37,689	44,264	3.22%
State Totals	106,922	685,166	792,088	109,369	697,489	806,858	1.86%

Number of Establishments							
Business Group	Number of \$0 Establishments	Number of Establishments over \$0	Total Number of Establishments	Number of \$0 Establishments	Number of Establishments over \$0	Total Number of Establishments	Percent Change
Apparel	572	1,587	2,159	564	1,514	2,078	-3.75%
Building Materials	174	1,402	1,576	145	1,327	1,472	-6.60%
Eating and Drinking	1,441	7,939	9,380	1,522	8,024	9,546	1.77%
Food Dealers	471	2,465	2,936	488	2,447	2,935	-0.03%
General Merchandise	470	1,893	2,363	510	1,928	2,438	3.17%
Home Furnishings	336	1,296	1,632	219	1,284	1,503	-7.90%
Miscellaneous	4,167	14,178	18,345	3,651	13,804	17,455	-4.85%
Motor Vehicle	651	2,280	2,931	635	2,218	2,853	-2.66%
Services	5,989	28,016	34,005	5,642	27,448	33,090	-2.69%
Specialty Retail	2,867	10,534	13,401	2,590	10,182	12,772	-4.69%
Utilities and Transportation	537	3,483	4,020	524	3,416	3,940	-1.99%
Wholesale	960	3,814	4,774	916	3,797	4,713	-1.28%
State Totals	18,635	78,887	97,522	17,406	77,389	94,795	-2.80%

Computed Tax			
Business Group	FY 2024	FY 2025	Percent Change
Apparel	\$67,551,765	\$65,083,071	-3.65%
Building Materials	\$291,079,308	\$283,302,331	-2.67%
Eating and Drinking	\$340,457,394	\$341,247,262	0.23%
Food Dealers	\$215,005,943	\$213,093,052	-0.89%
General Merchandise	\$334,342,547	\$335,016,096	0.20%
Home Furnishings	\$97,128,014	\$96,804,144	-0.33%
Miscellaneous	\$323,835,862	\$318,288,970	-1.71%
Motor Vehicle	\$154,674,688	\$155,712,258	0.67%
Services	\$432,764,471	\$436,275,349	0.81%
Specialty Retail	\$224,148,757	\$224,289,539	0.06%
Utilities and Transportation	\$213,807,561	\$226,661,851	6.01%
Wholesale	\$303,611,199	\$294,940,656	-2.86%
State Totals	\$2,998,407,509	\$2,990,714,579	-0.26%

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 2025

Retailer's Use Tax by Business Group					
Business Group	Number of Returns	Percent of Returns	Taxable Sales	Computed Tax	Percent of Tax
Apparel	388	0.40%	\$44,549,140	\$2,672,948	0.37%
Building Materials	737	0.76%	\$67,109,226	\$4,026,554	0.56%
Eating and Drinking	197	0.20%	\$9,202,097	\$552,126	0.08%
Food Dealers	120	0.12%	\$3,777,325	\$226,639	0.03%
General Merchandise	1,305	1.35%	\$440,352,190	\$26,421,131	3.66%
Home Furnishings	875	0.90%	\$145,230,374	\$8,713,823	1.21%
Miscellaneous	66,262	68.51%	\$4,327,309,739	\$259,638,588	35.96%
Motor Vehicle	1,320	1.36%	\$3,953,773,498	\$237,226,410	32.85%
Services	13,380	13.83%	\$1,380,760,473	\$82,845,630	11.47%
Specialty Retail	3,214	3.32%	\$429,089,978	\$25,745,399	3.57%
Utilities and Transportation	921	0.95%	\$385,808,069	\$23,148,484	3.21%
Wholesale	7,995	8.27%	\$847,403,353	\$50,844,202	7.04%
State Totals	96,714		\$12,034,365,462	\$722,061,934	

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.

**Comparison of Use Taxes
Fiscal Year 2024 and 2025**

Use Tax	2024	2025	Percentage Change
Retailer's			
Number of Returns	96,019	96,714	0.72%
Computed Tax	\$694,754,665	\$722,061,934	3.93%
Consumer's			
Number of Returns	10,137	10,538	3.96%
Computed Tax	\$45,219,839	\$53,961,275	19.33%
Motor Vehicle			
Number of Units	unk	unk	unk
Fee	\$471,718,590	\$464,868,505	-1.45%

**Table 10. Retailer's Use Tax by Amount of Tax Due on Quarterly or Annual Returns
Fiscal Year 2025**

Amount of Tax Due	Number of Returns	Percent of Returns	Computed Tax	Percent of Tax	Growth in Tax From FY 2024
\$0 returns	19,051	19.70%	\$0	0.00%	0.00%
\$0 - \$24	1,042	1.08%	\$3,783	0.00%	-17.08%
\$25 - \$49	571	0.59%	\$7,658	0.00%	-9.77%
\$50 - \$99	757	0.78%	\$21,031	0.00%	-9.47%
\$100 - \$149	822	0.85%	\$30,796	0.00%	-10.89%
\$150 - \$199	653	0.68%	\$35,950	0.00%	-2.82%
\$200 - \$249	563	0.58%	\$34,684	0.00%	-7.94%
\$250 - \$499	2,331	2.41%	\$211,491	0.03%	-8.06%
\$500 - \$999	3,648	3.77%	\$506,339	0.07%	-8.99%
\$1,000 - \$1,499	3,468	3.59%	\$590,845	0.08%	-6.36%
\$1,500 - \$1,999	3,117	3.22%	\$606,805	0.08%	-2.96%
\$2,000 - \$2,499	2,976	3.08%	\$693,945	0.10%	0.87%
\$2,500 - \$2,999	2,444	2.53%	\$686,087	0.10%	-1.09%
\$3,000 - \$3,999	4,064	4.20%	\$1,368,907	0.19%	-5.79%
\$4,000 - \$4,999	3,481	3.60%	\$1,460,654	0.20%	0.88%
\$5,000 - \$9,999	10,659	11.02%	\$7,049,806	0.98%	-8.46%
\$10,000 - \$24,999	13,260	13.71%	\$18,546,170	2.57%	-11.05%
\$25,000 - \$49,999	8,515	8.80%	\$25,765,340	3.57%	-5.60%
\$50,000 - \$99,999	6,556	6.78%	\$39,385,047	5.45%	-2.42%
\$100,000 - \$199,999	4,009	4.15%	\$47,497,373	6.58%	-4.15%
\$200,000 - \$499,999	2,830	2.93%	\$73,685,850	10.20%	-5.67%
\$500,000 - \$999,999	1,141	1.18%	\$67,048,703	9.29%	2.00%
\$1,000,000 and Above	756	0.78%	\$436,824,669	60.50%	9.57%
State Totals	96,714		\$722,061,933		3.93%

**Table 11. Consumer's Use Tax by Amount of Tax Due on Quarterly or Annual Returns
Fiscal Year 2025**

Amount of Tax Due	Number of Returns	Percent of Returns	Computed Tax	Percent of Tax	Growth in Tax From FY 2024
\$0 returns	3,050	28.94%	\$0	0.00%	0.00%
\$0 - \$24	213	2.02%	\$1,446	0.00%	8.72%
\$25 - \$49	113	1.07%	\$2,304	0.00%	-15.91%
\$50 - \$99	202	1.92%	\$7,042	0.01%	13.14%
\$100 - \$149	125	1.19%	\$8,781	0.02%	7.97%
\$150 - \$199	110	1.04%	\$9,178	0.02%	-37.65%
\$200 - \$249	102	0.97%	\$7,994	0.01%	-10.44%
\$250 - \$499	313	2.97%	\$48,466	0.09%	3.64%
\$500 - \$999	444	4.21%	\$80,967	0.15%	-21.25%
\$1,000 - \$1,499	333	3.16%	\$75,318	0.14%	-6.43%
\$1,500 - \$1,999	387	3.67%	\$103,695	0.19%	48.73%
\$2,000 - \$2,499	246	2.33%	\$82,638	0.15%	8.77%
\$2,500 - \$2,999	277	2.63%	\$78,389	0.15%	-31.65%
\$3,000 - \$3,999	495	4.70%	\$169,600	0.31%	30.83%
\$4,000 - \$4,999	224	2.13%	\$116,568	0.22%	-11.10%
\$5,000 - \$9,999	920	8.73%	\$703,223	1.30%	29.01%
\$10,000 - \$24,999	1,045	9.92%	\$1,510,030	2.80%	-17.55%
\$25,000 - \$49,999	660	6.26%	\$1,963,848	3.64%	-17.39%
\$50,000 - \$99,999	511	4.85%	\$3,145,710	5.83%	15.00%
\$100,000 - \$199,999	240	2.28%	\$2,834,942	5.25%	-8.62%
\$200,000 - \$499,999	285	2.70%	\$8,308,704	15.40%	77.70%
\$500,000 - \$999,999	132	1.25%	\$7,934,763	14.70%	-17.00%
\$1,000,000 and Above	111	1.05%	\$26,767,669	49.61%	36.57%
State Totals	10,538		\$53,961,275		19.33%

**Table 12. Remote Sellers Tax by Amount of Tax Due on Quarterly or Annual Returns
Fiscal Year 2025**

Amount of Tax Due	Number of Returns	Percent of Returns	Computed Tax	Percent of Tax	Growth in Tax From FY 2024
\$0 returns	71,077	32.50%	\$0	0.00%	0.00%
\$0 - \$24	4,781	2.19%	\$7,816	0.00%	-4.11%
\$25 - \$49	2,921	1.34%	\$17,110	0.00%	-1.97%
\$50 - \$99	4,018	1.84%	\$48,375	0.01%	17.30%
\$100 - \$149	3,012	1.38%	\$59,825	0.02%	18.94%
\$150 - \$199	2,338	1.07%	\$66,409	0.02%	1.83%
\$200 - \$249	1,902	0.87%	\$67,234	0.02%	-2.92%
\$250 - \$499	8,269	3.78%	\$429,941	0.11%	11.16%
\$500 - \$999	11,585	5.30%	\$1,097,395	0.28%	11.95%
\$1,000 - \$1,499	8,787	4.02%	\$1,215,216	0.31%	3.87%
\$1,500 - \$1,999	6,865	3.14%	\$1,291,650	0.33%	1.47%
\$2,000 - \$2,499	5,942	2.72%	\$1,348,563	0.35%	13.49%
\$2,500 - \$2,999	5,658	2.59%	\$1,497,200	0.38%	17.99%
\$3,000 - \$3,999	8,410	3.85%	\$2,842,696	0.73%	3.64%
\$4,000 - \$4,999	7,222	3.30%	\$3,135,504	0.81%	20.10%
\$5,000 - \$9,999	22,025	10.07%	\$14,604,537	3.75%	15.30%
\$10,000 - \$24,999	22,010	10.06%	\$31,489,688	8.09%	11.27%
\$25,000 - \$49,999	9,944	4.55%	\$30,682,917	7.88%	13.08%
\$50,000 - \$99,999	6,172	2.82%	\$37,041,463	9.51%	27.29%
\$100,000 - \$199,999	2,903	1.33%	\$35,196,854	9.04%	4.77%
\$200,000 - \$499,999	1,807	0.83%	\$45,843,621	11.77%	15.38%
\$500,000 - \$999,999	504	0.23%	\$26,821,479	6.89%	5.21%
\$1,000,000 and Above	537	0.25%	\$154,618,736	39.70%	8.22%
State Totals	218,689		\$389,424,229		11.02%