



Iowa Department of
REVENUE

Retail Sales and Use Taxes
Annual Report
Fiscal Year 2022

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Tax Research Bureau

**IOWA DEPARTMENT OF REVENUE
SALES AND USE TAXES ANNUAL REPORT
FISCAL YEAR 2022
TABLE OF CONTENTS**

Introduction Page

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

Tax Collection Distributions

Table 1. Retail Sales and Use Tax Collections by Tax Type in Millions for Fiscal Years 2013-2022.....	4
Figure 1. Distribution of Sales and Use Tax Collections by Tax Type for Fiscal Years 2018-2022.....	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 2013-2022.....	8
Figure 2. Retail Sales Tax Collections in Millions by Quarter for Fiscal Years 2018-2022.....	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
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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
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Foreword

Each fiscal year, July 1 to June 30, the Iowa Department of Revenue 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. This Retail Sales and Use Taxes Annual Report encompasses data for all four fiscal year 2022 quarters, covering sales between July 1, 2021 and June 30, 2022. Quarterly statistical summaries are also provided on the Department's [website](#).

Tax Collection Distributions: In FY 2022, \$3.8 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, 72.9% was reported on retail sales tax returns, 18.6% on retailer's use tax returns, and 2.8% on consumer's use tax returns and 5.6% on Remote Seller returns (see Figure 1). There was a decrease in the share associated with retail sales and consumer use sales (remitted by taxpayers who purchase from retailers with no nexus), while there was an increase in the share associated with retailer's use sales (remitted by retailers located outside of Iowa with physical nexus) over last year. The remote sellers (remitted by retailers located outside of Iowa that do not have physical nexus in the state) is a category that began in January 2019. The data recorded on sales and use tax returns and aggregated in this report reflect 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.

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 remainder of the section presents 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. 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. In FY 2022 the Department adopted a system that groups Retail sales tax by NAICS numbers.

Retail Sales Tax Statistics: This section 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 the county filing 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 10 permits filed during the fiscal year. The "Other" category provides data for all cities in each county not satisfying the minimum permit requirement and any retailers located in unincorporated areas. (3) "Retail Sales by County and Group" provides data by 12 business groups for each county. Breakouts are provided for each business group within a county where at least 5 or more permits filed in a fiscal year. An "S", representing "Suppressed", is used for any business group that does not have at least 5 permits. (4) "Retail Sales 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 10 permits 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 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 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 10 permits 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 10 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

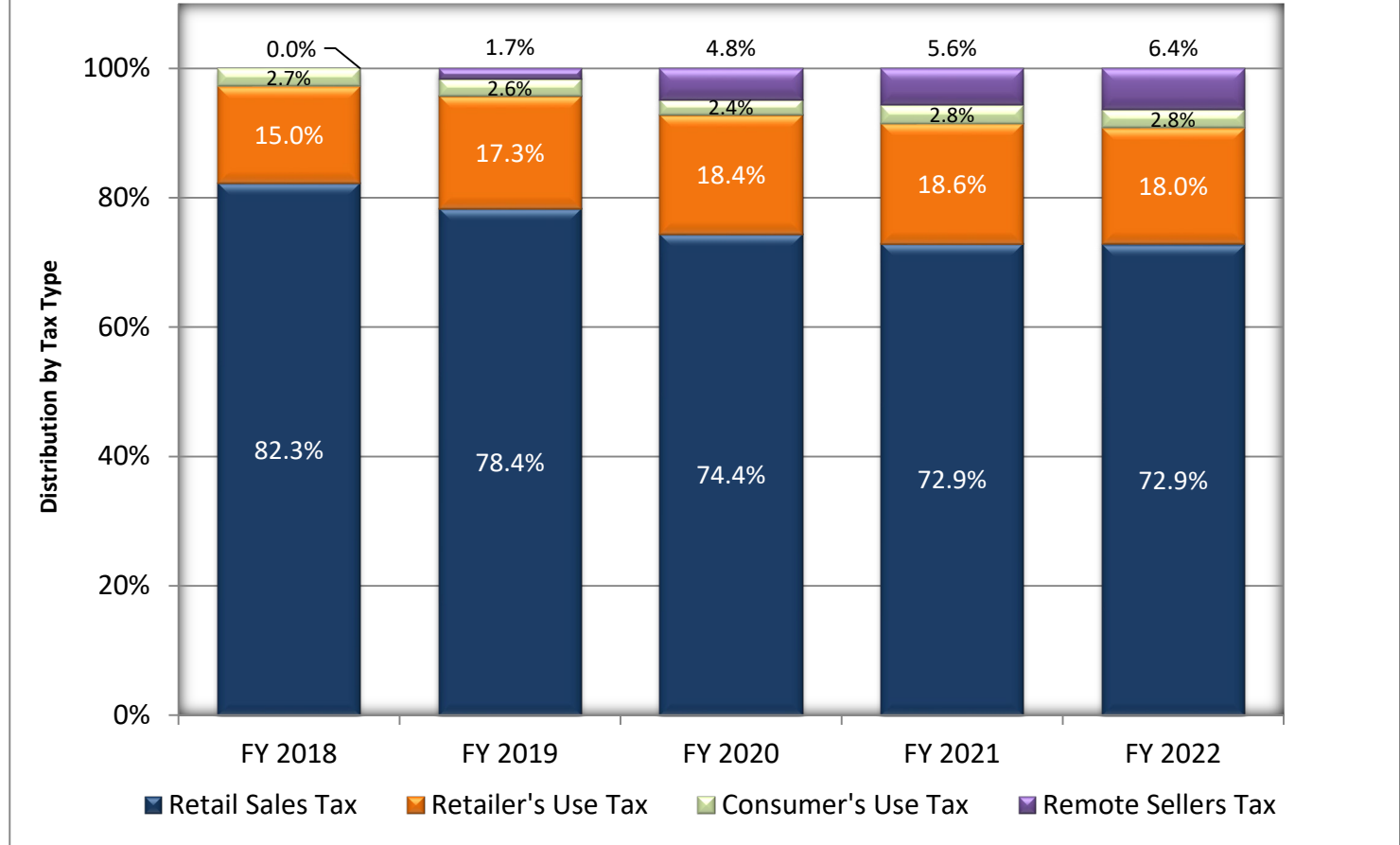
BUSINESS CLASSIFICATION	Business classifications are based on the major type of activity performed by the business. As a result, business classifications may include sales other than normally suggested by the class title. Classifications are based on the 2017 North American Industry Classification System (NAICS).
BUSINESS GROUP	Consolidation of related business classifications into 12 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 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.
OTHER	Includes all businesses located in unincorporated areas of a county and those cities with less than 10 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 less than 5 permits 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 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Retail Sales Tax	\$2,080.1	\$2,142.3	\$2,242.0	\$2,295.2	\$2,327.3	\$2,349.5	\$2,360.3	\$2,332.8	\$2,553.0	\$2,796.6
Retailer's Use Tax	\$347.0	\$360.2	\$381.6	\$371.2	\$392.9	\$428.4	\$522.0	\$577.5	\$650.6	\$690.4
Consumer's Use Tax	\$66.6	\$67.1	\$75.0	\$78.4	\$72.7	\$78.4	\$79.5	\$74.2	\$99.1	\$106.3
Remote Sellers Tax	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$49.8	\$150.9	\$197.6	\$245.4
FY Totals	\$2,493.7	\$2,569.6	\$2,698.6	\$2,744.8	\$2,792.9	\$2,856.3	\$3,011.6	\$3,135.4	\$3,500.3	\$3,838.7

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 2018-2022



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 2022 Annual Retail Sales Tax Data

Total retail sales computed tax on returns filed for the fiscal year ending June 30, 2022 was \$2,796.6 million, an 9.54 percent increase from the \$2,553.0 million computed in fiscal year 2021 (see Figure 2). The number of quarterly and annual returns filed decreased from 355,376 in fiscal year 2021 to 340,178 in fiscal year 2022, a 4.28 percent decrease (see Table 7 & 8).

Summary of FY 2022 Quarterly Retail Sales Tax Data

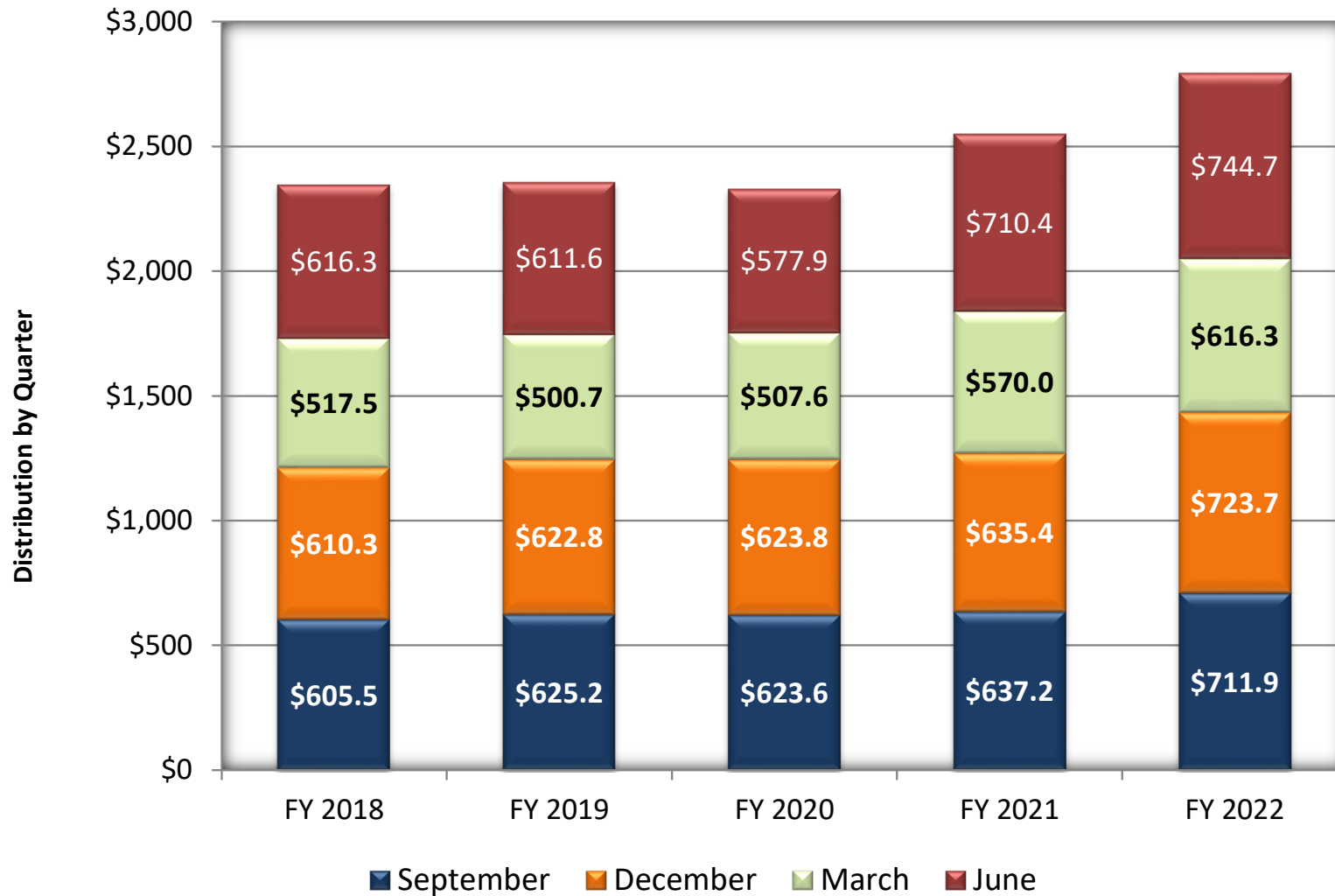
June quarterly sales were up from previous years. The June quarter had the most computed tax, 26.6 percent of the 2022 fiscal year total, with the December quarter second at 25.9 percent (see Table 2).

Table 2. Distribution of Retail Sales Tax Collections by Quarter

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
September	25.6%	25.5%	25.7%	25.7%	25.8%	25.8%	26.5%	26.7%	25.0%	25.5%
December	26.4%	26.2%	26.3%	26.1%	26.2%	26.0%	26.4%	26.7%	24.9%	25.9%
March	22.2%	21.9%	22.1%	22.2%	21.9%	22.0%	21.2%	21.8%	22.3%	22.0%
June	25.8%	26.3%	25.9%	26.0%	26.0%	26.2%	25.9%	24.8%	27.8%	26.6%
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 for Fiscal Years 2018-2022



**Table 3. Retail Sales Tax
by City Population
Fiscal Year 2022**

City Population	Number of \$0 Returns	Number of Returns over \$0	Total Number of Returns	Percent of Returns	Growth in Returns From FY 2021	Computed Tax	Percent of Tax	Growth in Tax From FY 2020
50,000 and Above	18,461	61,692	80,153	18.14%	-3.09%	\$1,003,890,552	35.90%	9.24%
25,000 to 50,000	6,285	21,712	27,997	6.38%	-3.41%	303,753,896	10.86%	9.44%
10,000 to 25,000	9,800	35,557	45,357	10.45%	-3.21%	481,306,092	17.21%	9.24%
5,000 to 10,000	9,196	35,273	44,469	10.37%	-3.78%	272,875,982	9.76%	8.44%
2,500 to 5,000	5,942	23,865	29,807	7.02%	-4.90%	149,764,369	5.36%	7.67%
1,000 to 2,500	7,825	29,741	37,566	8.74%	-4.96%	131,874,020	4.72%	6.41%
500 to 1,000	5,147	19,146	24,293	5.63%	-5.13%	68,856,373	2.46%	6.28%
Less than 500	5,775	19,230	25,005	5.65%	-6.79%	57,914,929	2.07%	8.01%
Unincorporated Areas	6,042	19,489	25,531	5.73%	-6.50%	326,318,637	11.67%	15.31%
State Totals	74,473	265,705	340,178		-4.28%	\$2,796,554,851		9.53%

Percentages may not equal 100% due to rounding

**Table 4. Retail Sales Tax
by Filing Frequency
Fiscal Year 2022**

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 2021	Computed Tax	Distribution of Quarterly or Annual Computed Tax	Growth in Tax From FY 2021
Monthly	29,008	192,825	221,833	65.21%	-3.39%	\$2,779,313,740	99.38%	9.63%
Annually	45,438	72,863	118,301	34.78%	-5.94%	\$16,918,085	0.60%	-5.76%
Seasonal	27	17	44	0.01%	0.00%	\$323,025	0.01%	0.00%
Total	74,473	265,705	340,178	100.0%	-4.28%	\$2,796,554,851	100.00%	9.53%

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 2022**

Amount of Taxable Sales	Number of Returns	Taxable Sales	Computed Tax	Percent of Tax
\$0 returns	52,738	\$0	\$0	0.00%
\$0-\$499	16,018	\$855,676	\$51,302	0.00%
\$500-\$999	5,825	\$1,852,341	\$111,008	0.00%
\$1,000-\$1,999	8,465	\$5,014,313	\$300,536	0.01%
\$2,000-\$2,999	7,141	\$6,530,812	\$391,175	0.01%
\$3,000-\$3,999	6,085	\$7,523,327	\$450,672	0.02%
\$4,000-\$4,999	5,380	\$8,310,125	\$497,645	0.02%
\$5,000-\$9,999	20,010	\$46,683,935	\$2,795,272	0.10%
\$10,000-\$24,999	33,004	\$160,898,374	\$9,652,433	0.35%
\$25,000-\$49,999	29,694	\$298,649,713	\$17,881,589	0.64%
\$50,000-\$99,999	28,072	\$542,856,075	\$32,580,636	1.17%
\$100,000-\$249,999	36,241	\$1,551,223,875	\$93,367,527	3.34%
\$250,000-\$499,999	27,268	\$2,505,214,472	\$150,489,623	5.38%
\$500,000-\$999,999	25,123	\$4,443,849,570	\$266,355,392	9.52%
\$1,000,000-\$1,999,999	20,946	\$7,177,393,552	\$429,309,998	15.35%
\$2,000,000-\$4,999,999	12,972	\$9,310,813,188	\$555,663,154	19.87%
\$5,000,000-\$9,999,999	3,064	\$5,056,675,787	\$302,303,075	10.81%
\$10,000,000 and Above	2,132	\$15,586,806,379	\$934,353,814	33.41%
State Totals	340,178	\$46,711,151,514	\$2,796,554,851	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 2022**

Amount of Total Sales	Number of Returns	Total Sales	Percent of Total Sales	Exempt Sales	Exempt Sales as Percent of Total Sales
\$0 returns	52,738	\$0	0.00%	\$0	0.00%
\$0-\$499	16,018	\$677,945	0.00%	\$33,823	4.99%
\$500-\$999	5,825	\$1,515,419	0.00%	\$83,931	5.54%
\$1,000-\$1,999	8,465	\$4,242,622	0.00%	\$288,032	6.79%
\$2,000-\$2,999	7,141	\$5,479,888	0.00%	\$435,219	7.94%
\$3,000-\$3,999	6,085	\$6,439,697	0.00%	\$486,838	7.56%
\$4,000-\$4,999	5,380	\$7,219,827	0.00%	\$624,941	8.66%
\$5,000-\$9,999	20,010	\$41,157,231	0.03%	\$4,165,481	10.12%
\$10,000-\$24,999	33,004	\$146,982,811	0.09%	\$17,866,870	12.16%
\$25,000-\$49,999	29,694	\$279,219,972	0.17%	\$41,834,101	14.98%
\$50,000-\$99,999	28,072	\$523,205,138	0.32%	\$99,350,868	18.99%
\$100,000-\$249,999	36,241	\$1,589,101,039	0.97%	\$392,558,534	24.70%
\$250,000-\$499,999	27,268	\$2,682,807,424	1.64%	\$712,289,214	26.55%
\$500,000-\$999,999	25,123	\$5,008,442,817	3.07%	\$1,461,738,777	29.19%
\$1,000,000-\$1,999,999	20,946	\$8,324,513,519	5.10%	\$2,932,240,056	35.22%
\$2,000,000-\$4,999,999	12,972	\$15,005,385,747	9.19%	\$7,352,446,504	49.00%
\$5,000,000-\$9,999,999	3,064	\$15,869,664,124	9.72%	\$10,168,475,158	64.07%
\$10,000,000 and Above	2,132	\$113,773,859,712	69.68%	\$93,373,845,072	82.07%
State Totals	340,178	\$163,269,914,932	100.00%	\$116,558,763,419	71.39%

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 Returns
Fiscal Year 2022**

Amount of Tax Due	Number of Returns	Percent of Returns	Growth in Returns From FY 2021	Computed Tax	Percent of Tax	Growth in Tax From FY 2021
\$0 returns	60,314	17.73%	-3.55%	\$0	0.00%	0.00%
\$0 - \$24	7,460	2.19%	-10.41%	\$38,439	0.00%	-7.65%
\$25 - \$49	5,143	1.51%	-7.17%	\$84,050	0.00%	0.11%
\$50 - \$99	7,538	2.22%	-15.18%	\$230,639	0.01%	-2.50%
\$100 - \$149	6,490	1.91%	-9.32%	\$304,073	0.01%	1.44%
\$150 - \$199	5,426	1.60%	-10.14%	\$340,314	0.01%	1.50%
\$200 - \$249	4,916	1.45%	-9.70%	\$391,706	0.01%	2.66%
\$250 - \$499	18,720	5.50%	-11.85%	\$2,216,231	0.08%	-1.76%
\$500 - \$999	23,165	6.81%	-11.97%	\$5,099,550	0.18%	-3.70%
\$1,000 - \$1,499	15,624	4.59%	-9.92%	\$5,557,819	0.20%	-4.32%
\$1,500 - \$1,999	12,087	3.55%	-7.03%	\$5,909,886	0.21%	-1.37%
\$2,000 - \$2,499	9,714	2.86%	-4.04%	\$6,019,667	0.22%	0.98%
\$2,500 - \$2,999	7,949	2.34%	-4.45%	\$6,000,797	0.21%	0.79%
\$3,000 - \$3,999	12,192	3.58%	-1.52%	\$11,540,773	0.41%	3.27%
\$4,000 - \$4,999	8,956	2.63%	-7.58%	\$10,916,042	0.39%	-2.73%
\$5,000 - \$9,999	27,011	7.94%	-6.35%	\$51,727,558	1.85%	-3.46%
\$10,000 - \$24,999	36,197	10.64%	-2.95%	\$152,816,368	5.46%	-0.08%
\$25,000 - \$49,999	26,050	7.66%	2.64%	\$230,772,617	8.25%	4.25%
\$50,000 - \$99,999	22,776	6.70%	5.80%	\$396,359,418	14.17%	5.63%
\$100,000 - \$199,999	13,608	4.00%	10.58%	\$458,660,153	16.40%	10.91%
\$200,000 - \$499,999	6,191	1.82%	16.28%	\$446,652,100	15.97%	15.78%
\$500,000 - \$999,999	1,360	0.40%	14.09%	\$222,461,744	7.95%	11.41%
\$1,000,000 and Above	1,291	0.38%	10.53%	\$782,454,906	27.98%	12.41%
State Totals	340,178		-4.28%	\$2,796,554,850		9.53%

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 2021 and 2022**

Number of Returns							
Business Group	Number of \$0	Number of	Total Number	Number of \$0	Number of	Total Number	Percent Change
	Returns	Returns over \$0	of Returns FY 2021	Returns	Returns over \$0	of Returns FY 2022	
Apparel	1,470	6,218	7,688	1,909	5,801	7,710	0.29%
Building Materials	454	4,987	5,441	404	4,789	5,193	-4.56%
Eating and Drinking	2,873	27,333	30,206	2,673	26,980	29,653	-1.83%
Food Dealers	1,304	10,036	11,340	1,346	9,816	11,162	-1.57%
General Merchandise	302	2,106	2,408	424	2,096	2,520	4.65%
Home Furnishings	856	6,453	7,309	926	6,103	7,029	-3.83%
Miscellaneous	8,770	49,205	57,975	9,571	47,587	57,158	-1.41%
Motor Vehicle	1,089	7,565	8,654	1,057	7,146	8,203	-5.21%
Services	18,729	116,376	135,105	17,603	109,222	126,825	-6.13%
Specialty Retail	14,466	44,016	58,482	13,374	41,529	54,903	-6.12%
Utilities and Transportation	1,766	14,256	16,022	1,692	13,818	15,510	-3.20%
Wholesale	1,688	13,058	14,746	1,759	12,553	14,312	-2.94%
State Totals	53,767	301,609	355,376	52,738	287,440	340,178	-4.28%

Number of Establishments							
Business Group	Number of \$0	Number of	Total Number	Number of \$0	Number of	Total Number	Percent Change
	Establishments	Establishments over \$0	of Establishments 2021	Establishments	Establishments over \$0	of Establishments 2022	
Apparel	620	1,830	2,450	1,074	1,722	2,796	14.12%
Building Materials	222	1,371	1,593	240	1,343	1,583	-0.63%
Eating and Drinking	1,036	7,325	8,361	1,421	7,504	8,925	6.75%
Food Dealers	466	2,647	3,113	566	2,668	3,234	3.89%
General Merchandise	151	607	758	260	620	880	16.09%
Home Furnishings	363	1,731	2,094	445	1,681	2,126	1.53%
Miscellaneous	3,724	14,014	17,738	4,746	14,099	18,845	6.24%
Motor Vehicle	497	2,036	2,533	562	1,996	2,558	0.99%
Services	8,177	31,260	39,437	9,326	31,037	40,363	2.35%
Specialty Retail	8,494	13,995	22,489	8,770	13,855	22,625	0.60%
Utilities and Transportation	615	3,698	4,313	709	3,667	4,376	1.46%
Wholesale	762	3,542	4,304	902	3,506	4,408	2.42%
State Totals	25,127	84,056	109,183	29,021	83,698	112,719	3.24%

Computed Tax			
Business Group	FY 2021	FY 2022	Percent Change
Apparel	\$64,163,763	\$65,978,340	2.83%
Building Materials	\$246,234,562	\$259,444,161	5.36%
Eating and Drinking	\$251,963,992	\$283,380,978	12.47%
Food Dealers	\$231,235,942	\$242,070,444	4.69%
General Merchandise	\$248,825,138	\$260,951,686	4.87%
Home Furnishings	\$111,011,199	\$117,013,684	5.41%
Miscellaneous	\$216,812,318	\$252,553,903	16.49%
Motor Vehicle	\$128,539,786	\$135,945,655	5.76%
Services	\$328,013,875	\$386,782,787	17.92%
Specialty Retail	\$238,020,142	\$262,432,158	10.26%
Utilities and Transportation	\$210,373,366	\$228,876,847	8.80%
Wholesale	\$278,012,760	\$301,124,208	8.31%
State Totals	\$2,553,206,843	\$2,796,554,851	9.53%

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 2022**

Retailer's Use Tax by Business Group					
Business Group	Number of Returns	Percent of Returns	Taxable Sales	Computed Tax	Percent of Tax
Apparel	321	0.53%	\$156,829,408	\$9,409,764	1.36%
Building Materials	327	0.54%	\$105,931,694	\$6,355,902	0.92%
Eating and Drinking	133	0.22%	\$12,667,183	\$760,031	0.11%
Food Dealers	120	0.20%	\$12,215,936	\$732,956	0.11%
General Merchandise	88	0.14%	\$413,392,541	\$24,803,552	3.59%
Home Furnishings	442	0.72%	\$151,721,947	\$9,103,317	1.32%
Miscellaneous	45,478	74.47%	\$4,961,956,660	\$297,716,099	43.12%
Motor Vehicle	241	0.39%	\$32,872,954	\$1,972,377	0.29%
Services	7,078	11.59%	\$818,762,048	\$49,125,700	7.12%
Specialty Retail	3,173	5.20%	\$3,501,624,919	\$210,097,495	30.43%
Utilities and Transportation	485	0.79%	\$722,530,054	\$43,351,803	6.28%
Wholesale	3,186	5.22%	\$616,172,594	\$36,970,322	5.35%
State Totals	61,072		\$11,506,677,938	\$690,399,318	

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 2021 and 2022**

Use Tax	2021	2022	Percentage Change
Retailer's			
Number of Returns	60,595	61,072	0.79%
Computed Tax	\$650,599,839	\$690,399,318	6.12%
Consumer's			
Number of Returns	27,940	30,426	8.90%
Computed Tax	\$98,691,351	\$106,291,786	7.70%
Motor Vehicle			
Number of Units	1,011,772	927,206 est	-8.36%
Fee	\$435,426,281	\$428,740,810 est	-1.54%

**Table 10. Retailer's Use Tax
by Amount of Tax Due on Quarterly or Annual Returns
Fiscal Year 2022**

Amount of Tax Due	Number of Returns	Percent of Returns	Computed Tax	Percent of Tax	Growth in Tax From FY 2021
\$0 returns	19,645	32.17%	\$0	0.00%	0.00%
\$0 - \$24	1,370	2.24%	\$6,926	0.00%	6.46%
\$25 - \$49	780	1.28%	\$12,436	0.00%	-1.07%
\$50 - \$99	1,341	2.20%	\$39,477	0.01%	17.26%
\$100 - \$149	900	1.47%	\$44,901	0.01%	7.19%
\$150 - \$199	777	1.27%	\$48,785	0.01%	0.16%
\$200 - \$249	835	1.37%	\$63,504	0.01%	25.01%
\$250 - \$499	2,618	4.29%	\$315,422	0.05%	0.83%
\$500 - \$999	3,371	5.52%	\$753,514	0.11%	-1.67%
\$1,000 - \$1,499	2,466	4.04%	\$870,377	0.13%	4.00%
\$1,500 - \$1,999	1,626	2.66%	\$821,318	0.12%	-16.32%
\$2,000 - \$2,499	1,385	2.27%	\$888,940	0.13%	-4.28%
\$2,500 - \$2,999	1,196	1.96%	\$908,193	0.13%	1.82%
\$3,000 - \$3,999	1,834	3.00%	\$1,780,207	0.26%	-7.83%
\$4,000 - \$4,999	1,475	2.42%	\$1,799,695	0.26%	-9.21%
\$5,000 - \$9,999	4,873	7.98%	\$9,486,298	1.37%	-1.47%
\$10,000 - \$24,999	5,628	9.22%	\$24,330,844	3.52%	1.08%
\$25,000 - \$49,999	3,455	5.66%	\$31,927,392	4.62%	4.57%
\$50,000 - \$99,999	2,297	3.76%	\$41,389,339	5.99%	2.79%
\$100,000 - \$199,999	1,512	2.48%	\$55,139,248	7.99%	18.74%
\$200,000 - \$499,999	1,009	1.65%	\$80,718,530	11.69%	-0.12%
\$500,000 - \$999,999	395	0.65%	\$67,584,615	9.79%	14.69%
\$1,000,000 and Above	284	0.47%	\$371,469,358	53.81%	5.80%
State Totals	61,072		\$690,399,319		6.12%

**Table 11. Consumer's Use Tax
by Amount of Tax Due on Quarterly or Annual Returns
Fiscal Year 2022**

Amount of Tax Due	Number of Returns	Percent of Returns	Computed Tax	Percent of Tax	Growth in Tax From FY 2021 to FY 2022
\$0 returns	14,238	46.80%	\$0	0.00%	0.00%
\$0 - \$24	1,190	3.91%	\$5,659	0.01%	10.25%
\$25 - \$49	702	2.31%	\$10,041	0.01%	-3.11%
\$50 - \$99	1,002	3.29%	\$26,242	0.02%	-2.83%
\$100 - \$149	760	2.50%	\$30,196	0.03%	1.36%
\$150 - \$199	631	2.07%	\$34,798	0.03%	0.84%
\$200 - \$249	497	1.63%	\$34,633	0.03%	1.62%
\$250 - \$499	1,722	5.66%	\$190,622	0.18%	7.47%
\$500 - \$999	1,694	5.57%	\$365,006	0.34%	-7.01%
\$1,000 - \$1,499	1,090	3.58%	\$376,139	0.35%	-4.59%
\$1,500 - \$1,999	784	2.58%	\$376,299	0.35%	3.24%
\$2,000 - \$2,499	557	1.83%	\$351,812	0.33%	-1.60%
\$2,500 - \$2,999	355	1.17%	\$279,552	0.26%	-18.94%
\$3,000 - \$3,999	555	1.82%	\$539,862	0.51%	-7.63%
\$4,000 - \$4,999	445	1.46%	\$556,136	0.52%	-1.66%
\$5,000 - \$9,999	1,230	4.04%	\$2,413,559	2.27%	14.66%
\$10,000 - \$24,999	1,228	4.04%	\$5,233,110	4.92%	1.42%
\$25,000 - \$49,999	701	2.30%	\$6,378,532	6.00%	-4.22%
\$50,000 - \$99,999	478	1.57%	\$8,658,835	8.15%	14.85%
\$100,000 - \$199,999	278	0.91%	\$10,294,838	9.69%	21.83%
\$200,000 - \$499,999	114	0.37%	\$8,062,592	7.59%	-22.07%
\$500,000 - \$999,999	79	0.26%	\$14,461,200	13.61%	51.58%
\$1,000,000 and Above	96	0.32%	\$47,612,125	44.79%	4.48%
State Totals	30,426		\$106,291,788		7.70%

**Table 12. Remote Sellers Tax
by Amount of Tax Due on Quarterly or Annual Returns
Fiscal Year 2021**

Amount of Tax Due	Number of Returns	Percent of Returns	Computed Tax	Percent of Tax	Growth in Tax From FY 2020 to FY 2021
\$0 returns	33,157	32.52%	\$0	0.00%	0.00%
\$0 - \$24	3,611	3.54%	\$6,625	0.00%	19.69%
\$25 - \$49	1,838	1.80%	\$14,445	0.01%	47.90%
\$50 - \$99	2,196	2.15%	\$36,325	0.01%	38.89%
\$100 - \$149	1,657	1.62%	\$41,404	0.02%	22.54%
\$150 - \$199	1,378	1.35%	\$51,818	0.02%	12.34%
\$200 - \$249	1,168	1.15%	\$53,434	0.02%	18.11%
\$250 - \$499	4,850	4.76%	\$336,348	0.14%	22.33%
\$500 - \$999	5,913	5.80%	\$812,206	0.33%	19.13%
\$1,000 - \$1,499	4,342	4.26%	\$897,358	0.37%	12.00%
\$1,500 - \$1,999	3,516	3.45%	\$1,009,223	0.41%	24.55%
\$2,000 - \$2,499	2,671	2.62%	\$1,038,092	0.42%	29.01%
\$2,500 - \$2,999	2,324	2.28%	\$1,033,961	0.42%	34.22%
\$3,000 - \$3,999	3,738	3.67%	\$2,199,341	0.90%	37.30%
\$4,000 - \$4,999	3,190	3.13%	\$2,235,045	0.91%	19.56%
\$5,000 - \$9,999	9,515	9.33%	\$11,015,286	4.49%	31.66%
\$10,000 - \$24,999	8,798	8.63%	\$22,600,249	9.21%	24.31%
\$25,000 - \$49,999	4,164	4.08%	\$24,362,850	9.93%	35.21%
\$50,000 - \$99,999	1,968	1.93%	\$24,292,836	9.90%	27.15%
\$100,000 - \$199,999	1,118	1.10%	\$27,477,829	11.20%	31.88%
\$200,000 - \$499,999	555	0.54%	\$31,931,089	13.01%	46.88%
\$500,000 - \$999,999	211	0.21%	\$23,795,436	9.70%	4.25%
\$1,000,000 and Above	93	0.09%	\$70,181,366	28.60%	15.49%
State Totals	101,971		\$245,422,566		24.19%