

2014 STREAMLINED SALES TAX BILL

Prior Law

Sales of food and food ingredients are exempt from Iowa sales and use tax. A “dietary supplement” is not a food or food ingredient, and sales of dietary supplements are subject to Iowa sales and use tax.

New Provisions

The Act alters the definition of “dietary supplement” in the Iowa Code to conform to the definition found in the Streamlined Sales and Use Tax Agreement. A “dietary supplement” now is any product, other than tobacco, intended to supplement the diet that:

- Contains one or more specified ingredients;
- Is intended for ingestion in tablet, capsule, powder, softgel, gelcap, or liquid form, or if not intended for ingestion in such a form, is not represented as a conventional food or for use as the sole item of a meal; and
- Contains a “supplement facts” box on the label.

The Act clarifies a taxable “dietary supplement” must satisfy all three statutory criteria.

Section Amended

Section 1 of 2014 Iowa Acts House File 2436 amends Iowa Code section 423.3, subsection 57, paragraph c.

Effective Date

July 1, 2014