



Department of Revenue

**Retail Sales and Use Taxes
Annual Report
Fiscal Year 2023**

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**IOWA DEPARTMENT OF REVENUE
SALES AND USE TAXES ANNUAL REPORT
FISCAL YEAR 2023
TABLE OF CONTENTS**

Background

Foreword	1-2
Glossary	3

Tax Collection Distributions

Table 1. Retail Sales and Use Tax Collections by Tax Type in Millions for Fiscal Years 2014-2023	4
Figure 1. Distribution of Sales and Use Tax Collections by Tax Type for Fiscal Years 2019-2023	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 2014-2023	8
Figure 2. Retail Sales Tax Collections in Millions by Quarter for Fiscal Years 2019-2023	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 2023 quarters, covering sales between July 1, 2022 and June 30, 2023. Quarterly statistical summaries are also provided on the Department's [website](#).

Tax Collection Distributions: Information concerning distribution's is reported on pages 4 and 5 of this report. In FY 2023, \$3.96 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, 74.6 percent was reported on retail sales tax returns, 16.8 percent on retailer's use tax returns, 1.3 percent on consumer's use tax returns, and 7.3 percent on Remote Seller returns (see Figure 1). There was an increase in the share associated with retail sales and remote sales, while there was a decrease in the share associated with retailer's use sales and consumer's use over last year. The remote seller's category concerns 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 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 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 numbers.

Retail Sales Tax Statistics: This section (beginning of 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 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 (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 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

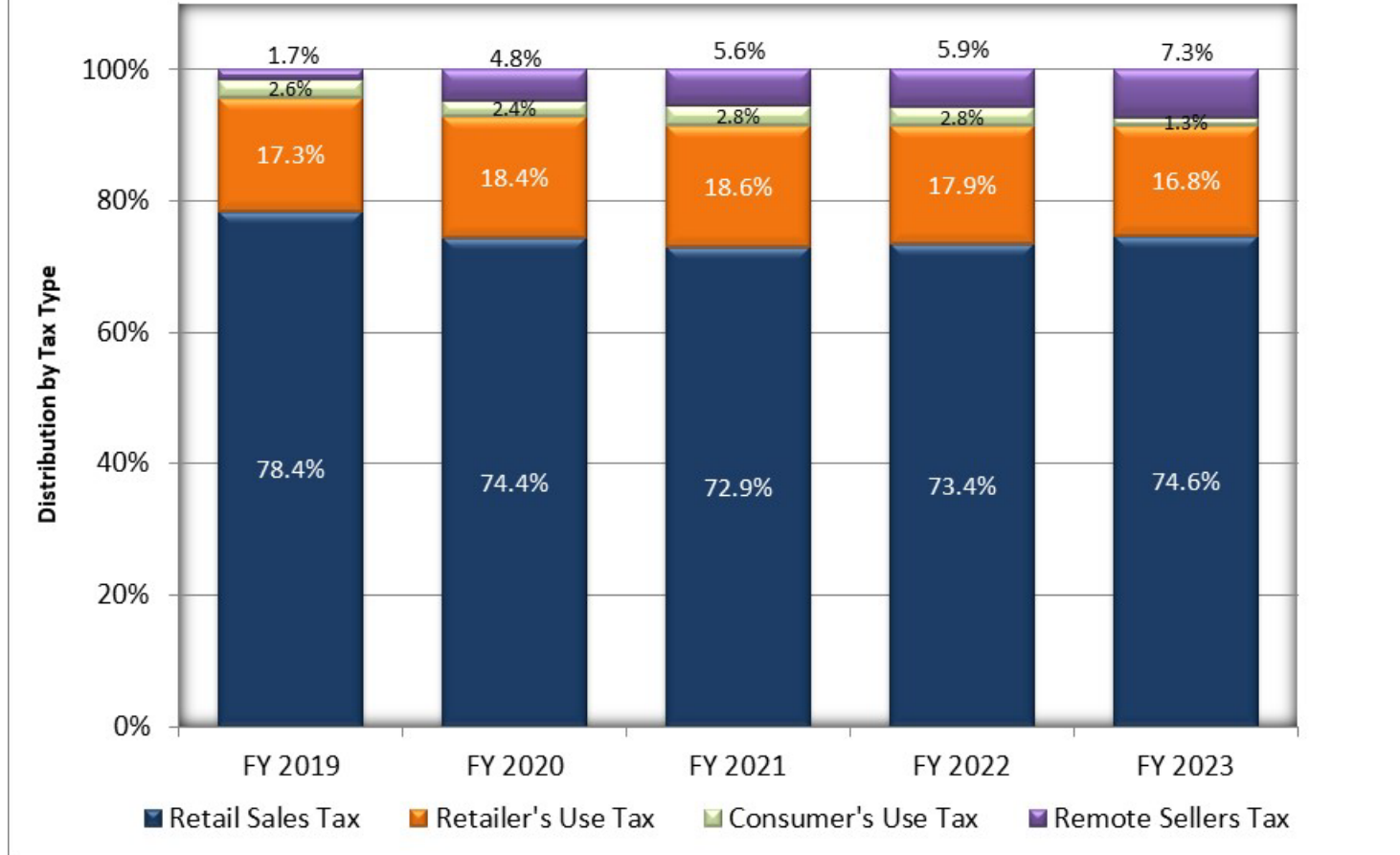
BUSINESS CLASSIFICATION	Business classifications are based on the major type of activity performed by the business. As a result, business classifications may include sales other than normally suggested by the class title. Classifications are based on the 2017 North American Industry Classification System (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 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 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Retail Sales Tax	\$2,142.3	\$2,242.0	\$2,295.2	\$2,327.3	\$2,349.5	\$2,360.3	\$2,332.8	\$2,553.0	\$2,830.7	\$2,955.4
Retailer's Use Tax	\$360.2	\$381.6	\$371.2	\$392.9	\$428.4	\$522.0	\$577.5	\$650.6	\$691.3	\$664.1
Consumer's Use Tax	\$67.1	\$75.0	\$78.4	\$72.7	\$78.4	\$79.5	\$74.2	\$99.1	\$107.1	\$50.0
Remote Sellers Tax	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$49.8	\$150.9	\$197.6	\$226.1	\$290.8
FY Totals	\$2,569.6	\$2,698.6	\$2,744.8	\$2,792.9	\$2,856.3	\$3,011.6	\$3,135.4	\$3,500.3	\$3,855.3	\$3,960.3

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 2019-2023



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 2023 Annual Retail Sales Tax Data

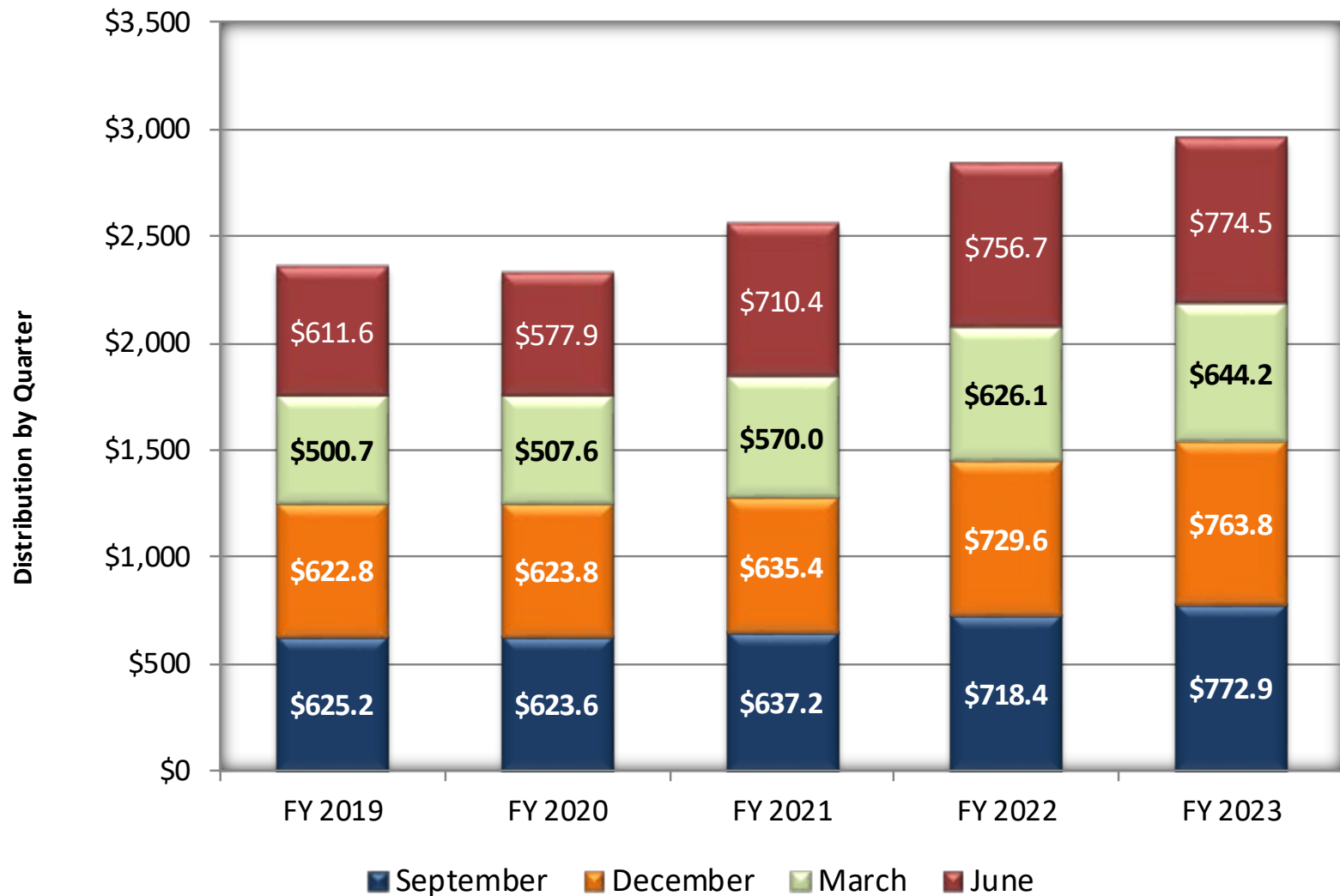
Total retail sales computed tax on returns filed for the fiscal year ending June 30, 2023 was \$2,955.4 million, a 4.40 percent increase from the \$2,830.7 million computed in fiscal year 2022 (see Figure 2). The number of quarterly and annual returns filed increased from 350,619 in fiscal year 2022 to 722,684 in fiscal year 2023, a 106.12 percent increase (see Table 7 & 8). This is due to during fiscal year 2023 the Department instituted monthly returns for a majority of filers.

Table 2. Distribution of Retail Sales Tax Collections by Quarter

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
September	25.5%	25.7%	25.7%	25.8%	25.8%	26.5%	26.7%	25.0%	25.4%	26.2%
December	26.2%	26.3%	26.1%	26.2%	26.0%	26.4%	26.7%	24.9%	25.8%	25.8%
March	21.9%	22.1%	22.2%	21.9%	22.0%	21.2%	21.8%	22.3%	22.1%	21.8%
June	26.3%	25.9%	26.0%	26.0%	26.2%	25.9%	24.8%	27.8%	26.7%	26.2%
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 2019-2023



**Table 3. Retail Sales Tax
by City Population
Fiscal Year 2023**

City Population	Number of \$0 Returns	Number of Returns over \$0	Total Number of Returns	Percent of Returns	Growth in Returns From FY 2022	Computed Tax	Percent of Tax	Growth in Tax From FY 2022
50,000 and Above	34,871	136,605	171,476	23.73%	120.73%	\$1,006,943,283	34.07%	2.86%
25,000 to 50,000	11,519	48,181	59,700	8.26%	119.86%	291,480,212	9.86%	-0.72%
10,000 to 25,000	17,175	75,574	92,749	12.83%	116.55%	483,282,095	16.35%	4.79%
5,000 to 10,000	15,498	72,489	87,987	12.18%	107.25%	272,714,458	9.23%	6.67%
2,500 to 5,000	9,687	49,560	59,247	8.20%	105.22%	152,196,316	5.15%	5.45%
1,000 to 2,500	13,010	60,526	73,536	10.18%	101.53%	137,040,918	4.64%	8.49%
500 to 1,000	8,018	38,199	46,217	6.40%	91.61%	73,206,191	2.48%	8.87%
Less than 500	9,255	37,738	46,993	6.50%	81.07%	65,241,311	2.21%	6.43%
Unincorporated Areas	15,079	69,700	84,779	11.73%	88.14%	473,261,815	16.01%	7.04%
State Totals	134,112	588,572	722,684		106.12%	\$2,955,366,598		4.40%

Percentages may not equal 100% due to rounding

* FY2023 was the first year that monthly returns were required from the majority of tax payers

**Table 4. Retail Sales Tax
by Filing Frequency
Fiscal Year 2023**

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 2022	Computed Tax	Distribution of Quarterly or Annual Computed Tax	Growth in Tax From FY 2022
Monthly	122,072	562,911	684,983	94.78%	189.53%	\$2,949,096,576	99.79%	4.66%
Annually	11,748	25,388	37,136	5.14%	-67.42%	\$5,931,666	0.20%	-52.81%
Seasonal	292	273	565	0.08%	0.00%	\$338,356	0.01%	0.00%
Total	134,112	588,572	722,684	100.0%	106.15%	\$2,955,366,598	100.00%	-47.48%

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.

* FY2023 was the first year that monthly returns were required from the majority of tax payers

**Table 5. Retail Taxable Sales and Tax
by Amount of Taxable Sales Reported on Quarterly or Annual Returns
Fiscal Year 2023**

Amount of Taxable Sales	Number of Returns	Taxable Sales	Computed Tax	Percent of Tax
\$0 returns	74,137	\$0	\$0	0.00%
\$0-\$499	11,073	\$679,197	\$40,730	0.00%
\$500-\$999	4,809	\$1,604,018	\$96,156	0.00%
\$1,000-\$1,999	7,822	\$4,765,672	\$285,660	0.01%
\$2,000-\$2,999	6,455	\$6,209,786	\$372,353	0.01%
\$3,000-\$3,999	5,335	\$7,003,454	\$419,762	0.01%
\$4,000-\$4,999	5,384	\$8,079,187	\$483,974	0.02%
\$5,000-\$9,999	18,703	\$41,417,573	\$2,480,761	0.08%
\$10,000-\$24,999	41,355	\$110,456,840	\$6,614,476	0.22%
\$25,000-\$49,999	73,577	\$265,386,963	\$15,894,932	0.54%
\$50,000-\$99,999	83,660	\$555,916,910	\$33,301,321	1.13%
\$100,000-\$249,999	107,806	\$1,565,938,565	\$93,815,423	3.17%
\$250,000-\$499,999	82,301	\$2,548,015,964	\$152,503,091	5.16%
\$500,000-\$999,999	76,394	\$4,566,162,934	\$272,667,379	9.23%
\$1,000,000-\$1,999,999	64,536	\$7,524,673,617	\$449,831,863	15.22%
\$2,000,000-\$4,999,999	41,995	\$10,119,646,226	\$603,420,824	20.42%
\$5,000,000-\$9,999,999	10,423	\$5,760,057,982	\$344,210,955	11.65%
\$10,000,000 and Above	6,919	\$16,337,769,913	\$978,926,940	33.12%
State Totals	722,684	\$49,423,784,801	\$2,955,366,600	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.

* FY2023 was the first year that monthly returns were required from the majority of tax payers

**Table 6. Total Retail Sales and Exempt Sales
by Amount of Total Sales Reported on Quarterly or Annual Returns
Fiscal Year 2023**

Amount of Total Sales	Number of Returns	Total Sales	Percent of Total Sales	Exempt Sales	Exempt Sales as Percent of Total Sales
\$0 returns	74,137	\$0	0.00%	\$0	0.00%
\$0-\$499	4,746	\$497,802	0.00%	-\$3,416	-0.69%
\$500-\$999	4,024	\$1,236,099	0.00%	-\$4,873	-0.39%
\$1,000-\$1,999	6,507	\$3,830,986	0.00%	\$79,664	2.08%
\$2,000-\$2,999	5,432	\$5,037,676	0.00%	\$112,326	2.23%
\$3,000-\$3,999	4,409	\$5,678,497	0.00%	\$227,432	4.01%
\$4,000-\$4,999	4,373	\$6,582,657	0.00%	\$246,154	3.74%
\$5,000-\$9,999	15,523	\$35,241,345	0.02%	\$1,892,514	5.37%
\$10,000-\$24,999	33,886	\$100,524,062	0.06%	\$11,415,528	11.36%
\$25,000-\$49,999	60,796	\$235,932,075	0.14%	\$25,684,130	10.89%
\$50,000-\$99,999	71,203	\$506,286,367	0.30%	\$76,186,969	15.05%
\$100,000-\$249,999	96,944	\$1,523,274,375	0.89%	\$317,621,670	20.85%
\$250,000-\$499,999	79,123	\$2,603,198,992	1.52%	\$608,607,329	23.38%
\$500,000-\$999,999	78,074	\$4,913,927,284	2.86%	\$1,348,064,681	27.43%
\$1,000,000-\$1,999,999	68,365	\$8,346,111,587	4.87%	\$2,663,138,556	31.91%
\$2,000,000-\$4,999,999	56,735	\$15,173,968,465	8.85%	\$7,069,321,272	46.59%
\$5,000,000-\$9,999,999	26,110	\$16,117,820,784	9.40%	\$10,024,551,205	62.20%
\$10,000,000 and Above	32,297	\$121,941,582,343	71.09%	\$99,949,805,455	81.97%
State Totals	722,684	\$171,520,731,396	100.00%	\$122,096,946,596	71.18%

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.

* FY2023 was the first year that monthly returns were required from the majority of tax payers

**Table 7. Retail Sales Tax
by Amount of Tax Due Reported on Quarterly or Annual Returns
Fiscal Year 2023**

Amount of Tax Due	Number of Returns	Percent of Returns	Growth in Returns From FY 2022	Computed Tax	Percent of Tax	Growth in Tax From FY 2022
\$0 returns	79,180	10.96%	26.71%	\$0	0.00%	0.00%
\$0 - \$24	5,156	0.71%	-33.14%	\$29,467	0.00%	-25.02%
\$25 - \$49	4,095	0.57%	-23.24%	\$68,690	0.00%	-20.27%
\$50 - \$99	7,069	0.98%	-10.09%	\$219,573	0.01%	-7.07%
\$100 - \$149	5,874	0.81%	-11.39%	\$283,032	0.01%	-7.94%
\$150 - \$199	5,039	0.70%	-9.61%	\$331,616	0.01%	-4.04%
\$200 - \$249	4,447	0.62%	-12.99%	\$358,433	0.01%	-10.80%
\$250 - \$499	17,786	2.46%	-7.66%	\$2,069,930	0.07%	-8.00%
\$500 - \$999	23,310	3.23%	-2.72%	\$3,742,557	0.13%	-27.79%
\$1,000 - \$1,499	23,537	3.26%	44.80%	\$3,714,059	0.13%	-34.79%
\$1,500 - \$1,999	26,769	3.70%	112.64%	\$4,851,917	0.16%	-20.04%
\$2,000 - \$2,499	25,032	3.46%	147.94%	\$5,400,209	0.18%	-12.31%
\$2,500 - \$2,999	22,016	3.05%	167.12%	\$5,698,951	0.19%	-6.98%
\$3,000 - \$3,999	33,764	4.67%	166.64%	\$10,993,307	0.37%	-7.16%
\$4,000 - \$4,999	27,729	3.84%	197.59%	\$11,411,969	0.39%	1.81%
\$5,000 - \$9,999	81,346	11.26%	192.15%	\$52,711,027	1.78%	-0.11%
\$10,000 - \$24,999	109,313	15.13%	193.70%	\$155,130,379	5.25%	-0.45%
\$25,000 - \$49,999	78,656	10.88%	195.72%	\$234,976,819	7.95%	0.14%
\$50,000 - \$99,999	69,504	9.62%	200.31%	\$409,808,464	13.87%	1.97%
\$100,000 - \$199,999	44,181	6.11%	221.15%	\$500,628,855	16.94%	8.13%
\$200,000 - \$499,999	20,299	2.81%	225.36%	\$498,125,140	16.85%	11.07%
\$500,000 - \$999,999	4,610	0.64%	226.03%	\$256,836,625	8.69%	10.74%
\$1,000,000 and Above	3,972	0.55%	204.60%	\$797,975,578	27.00%	1.49%
State Totals	722,684		106.12%	\$2,955,366,597		4.40%

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.

* FY2023 was the first year that monthly returns were required from the majority of tax payers

**Table 8. Change in Retail Sales Tax Returns, Establishments and Computed Tax
by Business Group for Fiscal Years 2022 and 2023**

Business Group	Number of Returns						
	Number of \$0 Returns	Number of Returns over \$0	Total Number of Returns FY 2022	Number of \$0 Returns	Number of Returns over \$0	Total Number of Returns FY 2023	Percent Change
	Apparel	1,940	5,829	7,769	3,144	13,255	16,399
Building Materials	428	4,904	5,332	711	11,985	12,696	138.11%
Eating and Drinking	2,998	28,550	31,548	7,019	78,445	85,464	170.90%
Food Dealers	1,289	11,821	13,110	2,968	32,952	35,920	173.99%
General Merchandise	445	2,155	2,600	693	5,478	6,171	137.35%
Home Furnishings	953	6,168	7,121	1,489	15,065	16,554	132.47%
Miscellaneous	10,061	50,095	60,156	17,876	107,010	124,886	107.60%
Motor Vehicle	1,109	7,423	8,532	1,094	18,570	19,664	130.47%
Services	18,124	111,379	129,503	22,450	223,413	245,863	89.85%
Specialty Retail	13,671	42,243	55,914	11,428	82,654	94,082	68.26%
Utilities and Transportation	1,720	13,785	15,505	2,482	32,086	34,568	122.95%
Wholesale	1,925	11,604	13,529	2,783	27,634	30,417	124.83%
State Totals	54,663	295,956	350,619	74,137	648,547	722,684	106.12%

Business Group	Number of Establishments						
	Number of \$0 Establishments	Number of Establishments over \$0	Total Number of Establishments 2022	Number of \$0 Establishments	Number of Establishments over \$0	Total Number of Establishments 2023	Percent Change
	Apparel	1,061	1,707	2,768	555	1,487	2,042
Building Materials	241	1,368	1,609	151	1,232	1,383	-14.05%
Eating and Drinking	1,430	7,830	9,260	1,087	7,525	8,612	-7.00%
Food Dealers	545	3,133	3,678	424	3,058	3,482	-5.33%
General Merchandise	256	625	881	142	584	726	-17.59%
Home Furnishings	445	1,689	2,134	362	1,513	1,875	-12.14%
Miscellaneous	4,888	14,627	19,515	3,805	13,633	17,438	-10.64%
Motor Vehicle	569	2,042	2,611	306	1,858	2,164	-17.12%
Services	9,348	31,286	40,634	5,502	27,497	32,999	-18.79%
Specialty Retail	8,830	14,115	22,945	3,456	12,160	15,616	-31.94%
Utilities and Transportation	716	3,630	4,346	514	3,417	3,931	-9.55%
Wholesale	965	3,261	4,226	623	2,972	3,595	-14.93%
State Totals	29,294	85,313	114,607	16,927	76,936	93,863	-18.10%

Business Group	Computed Tax		
	FY 2022	FY 2023	Percent Change
Apparel	\$67,638,938	\$67,079,972	-0.83%
Building Materials	\$262,439,415	\$261,563,475	-0.33%
Eating and Drinking	\$303,227,692	\$318,944,994	5.18%
Food Dealers	\$288,782,517	\$299,875,780	3.84%
General Merchandise	\$262,120,134	\$266,044,679	1.50%
Home Furnishings	\$116,190,843	\$112,389,637	-3.27%
Miscellaneous	\$259,668,204	\$301,175,994	15.98%
Motor Vehicle	\$146,664,713	\$154,766,039	5.52%
Services	\$391,429,933	\$416,145,747	6.31%
Specialty Retail	\$256,466,981	\$270,956,532	5.65%
Utilities and Transportation	\$224,738,237	\$223,879,540	-0.38%
Wholesale	\$251,377,757	\$262,544,210	4.44%
State Totals	\$2,830,745,364	\$2,955,366,599	4.40%

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.

* FY2023 was the first year that monthly returns were required from the majority of tax payers

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 2023**

Retailer's Use Tax by Business Group						
Business Group	Number of Returns	Percent of Returns	Taxable Sales	Computed Tax	Percent of Tax	
Apparel	493	0.51%	\$44,197,147	\$2,651,829	0.40%	
Building Materials	716	0.74%	\$47,894,747	\$2,873,685	0.43%	
Eating and Drinking	192	0.20%	\$17,250,950	\$1,035,057	0.16%	
Food Dealers	157	0.16%	\$8,305,347	\$498,321	0.08%	
General Merchandise	132	0.14%	\$351,041,208	\$21,062,472	3.17%	
Home Furnishings	805	0.84%	\$123,922,715	\$7,435,363	1.12%	
Miscellaneous	67,317	69.85%	\$4,550,775,960	\$273,046,561	41.11%	
Motor Vehicle	416	0.43%	\$35,379,829	\$2,122,790	0.32%	
Services	12,528	13.00%	\$972,794,906	\$58,367,695	8.79%	
Specialty Retail	5,310	5.51%	\$3,709,030,901	\$222,541,854	33.51%	
Utilities and Transportation	847	0.88%	\$462,027,797	\$27,721,668	4.17%	
Wholesale	7,457	7.74%	\$746,207,552	\$44,772,453	6.74%	
State Totals	96,370		\$11,068,829,059	\$664,129,748		

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 2022 and 2023**

Use Tax	2022	2023	Percentage Change
Retailer's			
Number of Returns	61,047	96,370	57.86%
Computed Tax	\$691,344,557	\$664,129,748	-3.94%
Consumer's			
Number of Returns	31,140	10,436	-66.49%
Computed Tax	\$107,106,878	\$49,991,252	-53.33%
Motor Vehicle			
Number of Units	unk	unk	
Fee	\$428,740,810	\$462,714,758 est	7.92%

**Table 10. Retailer's Use Tax
by Amount of Tax Due on Quarterly or Annual Returns
Fiscal Year 2023**

Amount of Tax Due	Number of Returns	Percent of Returns	Computed Tax	Percent of Tax	Growth in Tax From FY 2022
\$0 returns	19,413	20.14%	\$0	0.00%	0.00%
\$0 - \$24	958	0.99%	\$5,030	0.00%	-28.78%
\$25 - \$49	605	0.63%	\$10,568	0.00%	-17.22%
\$50 - \$99	919	0.95%	\$29,678	0.00%	-24.70%
\$100 - \$149	664	0.69%	\$37,208	0.01%	-17.80%
\$150 - \$199	672	0.70%	\$42,590	0.01%	-15.09%
\$200 - \$249	528	0.55%	\$47,821	0.01%	-23.91%
\$250 - \$499	2,383	2.47%	\$277,312	0.04%	-11.88%
\$500 - \$999	3,491	3.62%	\$539,303	0.08%	-28.65%
\$1,000 - \$1,499	2,952	3.06%	\$553,629	0.08%	-37.12%
\$1,500 - \$1,999	2,815	2.92%	\$593,477	0.09%	-28.32%
\$2,000 - \$2,499	2,605	2.70%	\$695,600	0.10%	-22.02%
\$2,500 - \$2,999	2,105	2.18%	\$633,327	0.10%	-30.44%
\$3,000 - \$3,999	3,730	3.87%	\$1,425,099	0.21%	-20.39%
\$4,000 - \$4,999	3,607	3.74%	\$1,628,080	0.25%	-8.81%
\$5,000 - \$9,999	11,235	11.66%	\$7,654,811	1.15%	-19.38%
\$10,000 - \$24,999	13,730	14.25%	\$20,740,326	3.12%	-15.57%
\$25,000 - \$49,999	8,967	9.30%	\$27,906,281	4.20%	-12.28%
\$50,000 - \$99,999	6,493	6.74%	\$39,811,109	5.99%	-4.26%
\$100,000 - \$199,999	3,958	4.11%	\$48,453,236	7.30%	-12.67%
\$200,000 - \$499,999	2,717	2.82%	\$72,625,178	10.94%	-10.67%
\$500,000 - \$999,999	1,103	1.14%	\$65,692,306	9.89%	-4.17%
\$1,000,000 and Above	720	0.75%	\$374,727,779	56.42%	1.23%
State Totals	96,370		\$664,129,748		-3.94%

**Table 11. Consumer's Use Tax
by Amount of Tax Due on Quarterly or Annual Returns
Fiscal Year 2023**

Amount of Tax Due	Number of Returns	Percent of Returns	Computed Tax	Percent of Tax	Growth in Tax From FY 2022 to FY 2023
\$0 returns	3,300	31.62%	\$0	0.00%	0.00%
\$0 - \$24	187	1.79%	\$1,478	0.00%	-74.02%
\$25 - \$49	127	1.22%	\$3,627	0.01%	-63.59%
\$50 - \$99	210	2.01%	\$9,713	0.02%	-63.14%
\$100 - \$149	179	1.72%	\$10,789	0.02%	-64.37%
\$150 - \$199	143	1.37%	\$19,094	0.04%	-45.12%
\$200 - \$249	97	0.93%	\$10,067	0.02%	-70.54%
\$250 - \$499	352	3.37%	\$41,725	0.08%	-78.12%
\$500 - \$999	393	3.77%	\$75,317	0.15%	-79.50%
\$1,000 - \$1,499	390	3.74%	\$92,008	0.18%	-75.71%
\$1,500 - \$1,999	315	3.02%	\$71,844	0.14%	-81.27%
\$2,000 - \$2,499	230	2.20%	\$73,642	0.15%	-78.27%
\$2,500 - \$2,999	185	1.77%	\$67,892	0.14%	-75.69%
\$3,000 - \$3,999	299	2.87%	\$118,799	0.24%	-78.38%
\$4,000 - \$4,999	311	2.98%	\$162,501	0.33%	-71.65%
\$5,000 - \$9,999	821	7.87%	\$628,683	1.26%	-73.87%
\$10,000 - \$24,999	1,109	10.63%	\$1,703,551	3.41%	-68.17%
\$25,000 - \$49,999	750	7.19%	\$2,487,831	4.98%	-60.18%
\$50,000 - \$99,999	435	4.17%	\$2,653,114	5.31%	-68.71%
\$100,000 - \$199,999	262	2.51%	\$3,779,484	7.56%	-64.46%
\$200,000 - \$499,999	190	1.82%	\$7,501,502	15.01%	-11.13%
\$500,000 - \$999,999	102	0.98%	\$11,123,622	22.25%	-6.44%
\$1,000,000 and Above	49	0.47%	\$19,354,965	38.72%	-61.64%
State Totals	10,436		\$49,991,248		-53.33%

**Table 12. Remote Sellers Tax
by Amount of Tax Due on Quarterly or Annual Returns
Fiscal Year 2023**

Amount of Tax Due	Number of Returns	Percent of Returns	Computed Tax	Percent of Tax	Growth in Tax From FY 2022
\$0 returns	46,682	30.86%	\$0	0.00%	0.00%
\$0 - \$24	3,708	2.45%	\$6,543	0.00%	0.21%
\$25 - \$49	2,157	1.43%	\$14,876	0.01%	8.48%
\$50 - \$99	2,870	1.90%	\$36,010	0.01%	4.62%
\$100 - \$149	2,195	1.45%	\$47,196	0.02%	22.01%
\$150 - \$199	1,784	1.18%	\$50,994	0.02%	2.92%
\$200 - \$249	1,563	1.03%	\$62,700	0.02%	28.22%
\$250 - \$499	5,876	3.88%	\$336,142	0.12%	7.94%
\$500 - \$999	7,734	5.11%	\$800,188	0.28%	6.18%
\$1,000 - \$1,499	6,219	4.11%	\$908,687	0.31%	11.86%
\$1,500 - \$1,999	4,775	3.16%	\$925,942	0.32%	-2.45%
\$2,000 - \$2,499	4,177	2.76%	\$1,008,581	0.35%	5.29%
\$2,500 - \$2,999	3,466	2.29%	\$989,939	0.34%	-0.37%
\$3,000 - \$3,999	6,252	4.13%	\$2,227,426	0.77%	8.23%
\$4,000 - \$4,999	4,920	3.25%	\$2,198,525	0.76%	3.70%
\$5,000 - \$9,999	15,619	10.33%	\$10,683,629	3.67%	1.80%
\$10,000 - \$24,999	15,605	10.32%	\$22,742,488	7.82%	9.58%
\$25,000 - \$49,999	7,661	5.06%	\$24,234,515	8.33%	11.55%
\$50,000 - \$99,999	3,787	2.50%	\$22,921,391	7.88%	6.29%
\$100,000 - \$199,999	2,217	1.47%	\$28,397,515	9.76%	18.35%
\$200,000 - \$499,999	1,164	0.77%	\$32,057,022	11.02%	14.93%
\$500,000 - \$999,999	440	0.29%	\$23,801,389	8.18%	10.03%
\$1,000,000 and Above	395	0.26%	\$116,383,301	40.02%	68.86%
State Totals	151,266		\$290,834,999		28.62%