701—31.6(423) Sales of aircraft subject to registration. On and after July 1, 1999, taxable sales in Iowa of aircraft subject to registration under Iowa Code section 328.20 are subject to Iowa use tax and not Iowa sales tax. This use tax is to be collected by the Iowa department of transportation at the time of the aircraft's registration. The sale of an aircraft subject to registration is not subject to local option sales tax, either that imposed by Iowa Code chapter 422B or that imposed by Iowa Code chapter 422E. For the purposes of this rule, an "aircraft" is any contrivance now known, or hereafter invented, used or designed for navigation of or flight in the air, for the purpose of transporting persons or property, or both. See rule 701—32.13(423) for exemptions applicable to aircraft subject only to use tax.

This rule is intended to implement Iowa Code section 423.2 as amended by 1999 Iowa Acts, chapter 168.