



Iowa Department of Revenue

Director: Mark R. Schuling
Hoover State Office Building
Des Moines, Iowa 50319
www.state.ia.us/tax

August 15, 2006

Tom Barnes
Iowa Association of Iowa Fairs
242 8th Avenue West
Cresco, IA 52136

Re: Iowa County Fairs

Dear Mr. Barnes:

Your association had a question regarding the exempt status of Iowa county fairs. You asked me to provide a written response that you may use to handle possible questions related to the county fair exemption.

Iowa Code section 423.3 (23) exempts the sales price of tangible personal property sold, or services furnished, by a fair organized under chapter 174. Chapter 174 is the Iowa Code chapter dealing with county and district fairs. This chapter defines a fair and provides for the powers of a fair. This exemption is also covered by department rule 701-17.28 detailed as follows:

701—17.28(422,423) State fair and fair societies. For periods beginning on or after July 1, 1996, the gross receipts from sales or services rendered, furnished, or performed by the state fair organized under Iowa Code chapter 173 or a county, district or fair society organized under Iowa Code chapter 174 are exempt from sales tax. This exemption does not apply to individuals, entities, or others that sell or provide services at the state, county, district fair, or fair societies organized under Iowa Code chapters 173 and 174. See 701—subrule 16.26(2) for examples of this rule's application.

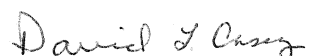
This rule is intended to implement Iowa Code section 422.45 as amended by 1996 Iowa Acts, chapter 1124.

The Iowa Department of Revenue does not issue or assign tax exemption numbers to entities or organizations which are exempted from paying the state sales or use tax. This would include a county fair organization. However, you may reproduce this letter in support of your sales and use tax exemption.

In a number of cases, a vendor may request a number. This is usually a sales tax permit number, but I would suggest that you can also use a federal ID number and fully complete an exemption certificate and explain the reason for the exemption. If a vendor will not accept this letter, you may ask them to contact the department at (515) 281-3114 or (800) 367-3388 and their questions will be answered.

Please let me know if I can be of further assistance.

Sincerely,



David L. Casey
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