



**Iowa Department of Revenue**

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**Director:** Courtney M. Kay-Decker  
Hoover State Office Building  
Des Moines, Iowa 50319  
[www.iowa.gov/tax](http://www.iowa.gov/tax)  
Phone (515) 281-3204

September 11, 2014

Calvin McKelvogue, Chief Operating Officer  
State Accounting Enterprise  
Department of Administrative Services  
Hoover State Office Building  
Des Moines, IA 50319

Dear Calvin:

In response to a request, I am providing this letter to verify that purchases of tangible personal property and services by the State of Iowa for public purposes and all sales of goods, wares, or merchandise and services sold to and used by the State of Iowa for public purposes are exempt from the state sales and use taxes under Section 423.3(31), 2014 Iowa Code. This exemption is also granted to governmental subdivisions of the state, including but not limited to:

- The State Board of Regents;
- The Department of Human Services;
- The Department of Transportation;
- Regional Transit Systems as defined in Iowa Code section 324A.1
- A state-owned public utility which sells all or part of its processed waste as fuel to a municipally owned public utility;
- All other divisions, boards, commissions, agencies, or instrumentalities of the state.

If state agency is dealing with a construction contract, then the provisions of a "designated exempt entity" must be used. These construction contracts must be entered into using the "designated exempt entity system maintained by the Iowa Department of Revenue. For more information, see <http://www.iowa.gov/tax/business/Contr-ExEnt-Def.html>.

The Iowa Department of Revenue does not issue or assign tax exemption numbers to entities or organizations that are exempted from paying the state sales or use tax. However, you may reproduce this letter in support of your sales and use tax exemption. If a vendor will not accept this letter, you may ask them to contact Taxpayer Services at (515) 281-3114 to answer any questions they might have.

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

Very truly yours,

Victoria L. Daniels  
Administrator, Policy & Communications Division  
(515) 281-8450