

# iowa sales tax guide

## Standard rate

The standard sales tax rate in Iowa ranges for 2024 from 6 to 8%.

## Reduced rate

There is no reduced rate for sales tax in Iowa.

## Sales of tax-free products and services

From 12:01 a.m. Friday through midnight Saturday, for clothing or shoes.

If selling at a price less than \$100.00.

## Who is obliged to register sales tax in Iowa

When you sell in Iowa and have “sufficient activity” in Iowa, you need to be [registered to collect and pay sales tax](#) in Iowa.

## Threshold

Dealers with sufficient physical or economic presence to establish nexus in Iowa must [register to collect sales tax](#). This includes online retailers or remote sellers that meet the \$100,000 or more in a current or preceding calendar year threshold.

[Merchant thresholds by state](#)

[Marketplace thresholds by state](#)

The special rules are applicable to the SAAS business.

[Software as Service Tax Thresholds by state.](#)

## **Online Marketplaces**

If all of your sales in Iowa are through a marketplace reseller platform, you can not register for paying Iowa sales tax. Your marketplace facilitator pays the sales tax itself.

## **Registration procedure**

You can be registered online on the Iowa Taxes website.

## **Sales tax payment and filing date**

Depending on your tax liability, determine your filing frequency – either annual, monthly or quarterly:

Annual – \$0 to \$10.00;

Quarterly – \$10.01 to \$500.00;

Monthly – \$500.01 to \$5,000.00;

Monthly with Prepayment – \$5,000.01 and up.

Returns are always due on the 20th day of the month following the reporting period. If the filing due date falls on a weekend or holiday, sales tax is due the next day.

## **Penalty and interest**

Late Filing – 10% of the tax due;

Late Payment – 5% of the tax due.

## **Discount**

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