

Snow Removal – Iowa Sales Tax

Snow removal is not subject to Iowa sales tax. The service of applying sand, salt, or ice-melt is likewise not taxable.

However, the materials applied – sand, salt, ice-melt – are taxable products. Sales tax is due on these materials.

When the snow removal business applies these materials for their customer and does not make a separately itemized charge for them, that business is the consumer of the materials and owes sales tax to its supplier when they are purchased. No tax is charged to the snow removal business' customer for services or materials.

In some cases, the snow removal business may separately itemize charges to their customer for the materials. If so, the business may be able to purchase the materials for resale and not pay sales tax to its supplier when three conditions are met.

1. The business and its customer must agree that the product is being sold separately from the service, and
2. The product must be sold to the customer in a definite form or amount and with a specific price attached, and
3. The cost of the product must be itemized on the bill.