

County Agricultural Extension District Tax Exempt Status

The County Agricultural Extension Districts were established in 1955 as county governmental subdivisions of the State of Iowa, organized and operated under Chapter 176A of the Iowa Code. The District is supported by public tax levy and is exempt from federal, state and local taxes by legislative decree. The District can be compared to county government, school districts and municipalities.

Pursuant to Iowa Code Section 422.45(5), a County Agricultural Extension District as a “governmental subdivision” and a “tax-levying body of the state of Iowa” is exempt in most cases from paying or charging sales and use taxes. The tax exempt status of the District when purchasing from out-of-state vendors is determined by the selling state and may vary from state to state.

Tax exemption certificates are not issued by the state as evidence of tax exempt status. The form titled “Iowa Sales Tax Exemption Certificate” should be used with an in-state vendor when purchasing items or setting up a vendor charge account. It may also be used with out-of-state vendors if they accept it.

To help fill out the information on the **Iowa Sales Tax Exemption Certificate**:

Purchaser is the (County) County Agricultural Extension District.

The purchaser (the District) is doing business as “Government Agency” therefore mark this one.

The District is claiming exemption as a governmental subdivision of the state. This may be put on the “Other:” line but is not required since government is assumed to be tax-exempt.

For a vendor charge account fill in the line for “Description of Purchase” with “Blanket”.

Ideally, the “Signature of the Purchaser” should be the Extension Council Chair or Treasurer, but there probably will not be a problem with an employee like the Director or bookkeeper signing this document.

Iowa Sales Tax Exemption Certificate <http://www.state.ia.us/tax/forms/31014.pdf>

Resources:

Code of Iowa, Section 422 <http://www.legis.state.ia.us/IACODE/2003/422/45.html>

IOWA TAX ISSUES FOR NONPROFIT ENTITIES, Iowa Department of Revenue:
<http://www.state.ia.us/tax/educate/78595.html>

Iowa Sales Tax Website: <http://www.state.ia.us/tax/forms/sales.html#sales>

Extension Field and County Office Guide, Sales Tax Exemption:
<http://www.extension.iastate.edu/ofcguide/Section4a.htm#4a10>