

## Iowa Sales Tax Info Sheet

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### State Sales Tax

### Local Sales Tax R

Iowa has a statewide sales tax rate of **6%**, which was introduced in 1933. This data sheet was last updated in February 2021 by [SalesTaxHandbook.com](https://www.salestaxhandbook.com).

### What is exempt from sales taxes in Iowa?

Many states have special sales tax rates that apply to the purchase of certain types of goods, or fully exempt them from the sales tax altogether. Here's how Iowa taxes five types of commonly-exempted goods:

#### Clothing



#### Groceries



#### Prepared Food



#### Prescription Drugs



#### OTC Drugs



### Are services subject to sales tax in Iowa?

"Goods" refers to the sale of tangible personal property, which are generally taxable. "Services" refers to the sale of labor or non-tangibles. In Iowa, services are generally not taxable. To learn more, see [salestaxhandbook.com/iowa/sales-tax-taxability#services](https://www.salestaxhandbook.com/iowa/sales-tax-taxability#services).

### Local Sales Taxes in Iowa

Municipal governments in Iowa are also allowed to collect a **local-option sales tax** that ranges from 0% to 1% across the state, with an average local tax of 0.976% (for a total of 6.976% when combined with the state sales tax). The maximum local tax rate allowed by Iowa law is 1%. Below are listed local sales tax rates for the five largest cities in Iowa. You can find other Iowa city and county sales tax rates at [salestaxhandbook.com/iowa/rates](https://www.salestaxhandbook.com/iowa/rates).

City Name	State Rate	County Rate	City Rate	Special Rate	Combined Rate
* <a href="#">Des Moines, IA</a>	6%	1%	N/A	N/A	7%
<a href="#">Cedar Rapids, IA</a>	6%	1%	N/A	N/A	7%
* <a href="#">Davenport, IA</a>	6%	1%	N/A	N/A	7%
* <a href="#">Sioux City, IA</a>	6%	1%	N/A	N/A	7%
* <a href="#">Dubuque, IA</a>	6%	1%	N/A	N/A	7%

To learn more, visit the Iowa Sales Tax Handbook at [SalesTaxHandbook.com/iowa](https://www.salestaxhandbook.com/iowa)