

Sec. 2. Section 331.605, Code 1991, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. However, the county shall not be required to pay the fees required in this section.

Approved March 4, 1992

CHAPTER 1006

EXCISE TAX ON AUTOMOBILE RENTALS

H.F. 695

AN ACT relating to the imposition of an excise tax on certain rentals of motor vehicles and providing a use tax exemption for certain motor vehicles used for rental purposes and providing retroactive applicability and effective dates.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 312.1, Code 1991, is amended by adding the following new subsection: NEW SUBSECTION. 2A. Revenue derived from the excise tax imposed upon the rental of automobiles, under chapter 422C, as provided by section 422C.5.

Sec. 2. NEW SECTION. 422C.1 SHORT TITLE.

This chapter may be cited as the "Automobile Rental Excise Tax Act".

Sec. 3. NEW SECTION. 422C.2 DEFINITIONS.

For purposes of this chapter, unless the context otherwise requires:

1. "Automobile" means a motor vehicle subject to registration in any state designed primarily for carrying nine passengers or less, excluding motorcycles and motorized bicycles.
2. "Department" means the department of revenue and finance.
3. "Lessor" means a person engaged in the business of renting automobiles to users. "Lessor" includes a motor vehicle dealer licensed pursuant to chapter 322 who rents automobiles to users. For this purpose, the objective of making a profit is not necessary to make the renting activity a business.
4. "Person" means person as defined in section 422.42.
5. "Rental" means a transfer of the possession or right to possession of an automobile to a user for a valuable consideration for a period of sixty days or less.
6. "Rental price" means the consideration for renting an automobile valued in money, and means the same as "gross taxable services" as defined in section 422.42.
7. "User" means a person to whom the possession or the right to possession of an automobile is transferred for a period of sixty days or less for a valuable consideration which is paid by the user or by another person.

Sec. 4. NEW SECTION. 422C.3 TAX ON RENTAL OF AUTOMOBILES.

1. A tax of four percent is imposed upon the rental price of an automobile if the rental transaction is subject to the sales and services tax under chapter 422, division IV, or the use tax under chapter 423. The tax shall not be imposed on any rental transaction not taxable under the state sales and services tax, as provided in section 422.45, or the state use tax, as provided in section 423.4, on automobile rental receipts.

2. The lessor shall collect the tax by adding the tax to the rental price of the automobile.

3. The tax, when collected, shall be stated as a distinct item separate and apart from the rental price of the automobile and the sales and services tax imposed under chapter 422, division IV, or the use tax imposed under chapter 423.

Sec. 5. NEW SECTION. 422C.4 ADMINISTRATION AND ENFORCEMENT.

All powers and requirements of the director of revenue and finance to administer the state gross receipts tax law under chapter 422, division IV, are applicable to the administration of the tax imposed under section 422C.3, including but not limited to sections 422.25, subsection 4, 422.30, 422.48 through 422.52, 422.54 through 422.58, 422.67, 422.68, 422.69, subsection 1, and 422.70 through 422.75. However, as an exception to the powers specified in section 422.52, subsection 1, the director shall only require the filing of quarterly reports.

Sec. 6. NEW SECTION. 422C.5 DEPOSIT OF REVENUE.

The revenue arising from the operation of this chapter shall be credited to the road use tax fund.

Sec. 7. Section 423.4, Code 1991, is amended by adding the following new subsections:

NEW SUBSECTION. 14. Vehicles subject to registration in any state when purchased for rental or registered and titled by a motor vehicle dealer licensed pursuant to chapter 322 for rental use, and held for rental for a period of one hundred twenty days or more and actually rented for periods of sixty days or less by a person regularly engaged in the business of renting vehicles including, but not limited to, motor vehicle dealers licensed pursuant to chapter 322 who rent automobiles to users, if the rental of the vehicles is subject to taxation under chapter 422C.

NEW SUBSECTION. 15. Motor vehicles subject to registration which were registered and titled between July 1, 1982, and July 1, 1992, to a motor vehicle dealer licensed under chapter 322 and which were rented to a user as defined in section 422C.2 if the following occurred:

1. The dealer kept the vehicle on the inventory of vehicles for sale at all times.
2. The vehicle was to be immediately taken from the user of the vehicle when a buyer was found.
3. The user was aware of this situation.

Sec. 8. This Act takes effect July 1, 1992.

Approved March 5, 1992

CHAPTER 1007

LEGALIZATION OF MID-PRAIRIE COMMUNITY SCHOOL DISTRICT TAX LEVY

H.F. 2097

AN ACT to legalize the proceedings taken by the board of directors of the Mid-Prairie Community School District concerning the imposition of a physical plant and equipment tax and the inclusion of funds raised through the levy in the district's budget, and providing an effective date.

WHEREAS, the board of directors of the Mid-Prairie Community School District considered, held a hearing upon, and approved the levy of a physical plant and equipment levy tax of sixty-seven cents per one thousand dollars of assessed valuation for ten years and presented this proposition in oral and written descriptions to the public prior to the election; and

WHEREAS, on September 11, 1990, voters of the school district approved a proposition authorizing a physical plant and equipment tax, which due to an error, stated the total amount of the tax to be raised at three cents per one thousand dollars of assessed valuation instead of sixty-seven cents per one thousand dollars of assessed valuation; and

WHEREAS, the board of directors believed that the proposition authorized a sixty-seven cents per one thousand dollars of assessed valuation tax with a three cent per one thousand dollars property tax component and an income surtax component of not to exceed six percent as authorized under section 298.2 of the Code of Iowa; and