

**423C.3 Tax on rental of automobiles.**

1. A tax of five percent is imposed upon the rental price of an automobile if the rental transaction is subject to the sales and services tax under chapter 423, subchapter II, or the use tax under chapter 423, subchapter III. The tax shall not be imposed on any rental transaction not taxable under the state sales and services tax, as provided in section 423.3, or the state use tax, as provided in section 423.6, 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 423, subchapter II, or the use tax imposed under chapter 423, subchapter III.

92 Acts, ch 1006, §4; 92 Acts, 2nd Ex, ch 1001, §210

C93, §422C.3

2003 Acts, 1st Ex, ch 2, §190, 203, 205

C2005, §423C.3