

CHAPTER 423C

AUTOMOBILE RENTAL EXCISE TAX

Referred to in [§312.1](#), [321.105A](#), [423.36](#)Chapter transferred from ch 422C in Code 2005 pursuant to
Code editor directive; 2003 Acts, 1st Ex, ch 2, §203, 205

423C.1	Short title.	423C.4	Administration and enforcement.
423C.2	Definitions.	423C.5	Deposit of revenue.
423C.3	Tax on rental of automobiles.		

423C.1 Short title.

This chapter may be cited as the “*Automobile Rental Excise Tax Act*”.

[92 Acts, ch 1006, §2](#)

C93, §422C.1

[2003 Acts, 1st Ex, ch 2, §203, 205](#)

C2005, §423C.1

423C.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.

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 423.1](#).

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 “*sales price*” as defined in [section 423.1](#).

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.

[92 Acts, ch 1006, §3](#)

C93, §422C.2

[2003 Acts, ch 145, §286; 2003 Acts, 1st Ex, ch 2, §189, 203, 205](#)

C2005, §423C.2

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

Referred to in [§423C.4](#)

423C.4 Administration and enforcement.

All powers and requirements of the director of revenue to administer the state sales tax law under [chapter 423](#) are applicable to the administration of the tax imposed under [section 423C.3](#), including but not limited to [section 422.25, subsection 4](#), [sections 422.30, 422.67, and 422.68](#), [section 422.69, subsection 1](#), [sections 422.70 through 422.75](#), [section 423.14, subsection 1](#), and [sections 423.15, 423.23, 423.24, 423.25, 423.31, 423.33, 423.35 and 423.37 through 423.42, 423.45, 423.46, and 423.47](#). However, as an exception to the powers specified in [section 423.31](#), the director shall only require the filing of quarterly reports.

[92 Acts, ch 1006, §5](#)

[C93, §422C.4](#)

[2003 Acts, ch 145, §286; 2003 Acts, 1st Ex, ch 2, §191, 203, 205](#)

[C2005, §423C.4](#)

423C.5 Deposit of revenue.

The revenue arising from the operation of [this chapter](#) shall be credited to the statutory allocations fund created under [section 321.145, subsection 2](#).

[92 Acts, ch 1006, §6](#)

[C93, §422C.5](#)

[2003 Acts, 1st Ex, ch 2, §203, 205](#)

[C2005, §423C.5](#)

[2008 Acts, ch 1113, §37](#)

Referred to in [§321.145](#)