

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

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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](#)