

423.26 Vehicles subject only to the issuance of title — vehicle lease transactions not requiring title or registration.

1. *a.* The use tax imposed upon the use of vehicles subject only to the issuance of a certificate of title shall be paid by the owner of the vehicle to the county treasurer or the state department of transportation from whom the certificate of title is obtained. A certificate of title shall not be issued until the tax has been paid. The county treasurer or the state department of transportation shall require every applicant for a certificate of title to supply information as the county treasurer or the director deems necessary as to the time of purchase, the purchase price, and other information relative to the purchase of the vehicle. On or before the tenth day of each month, the county treasurer or the state department of transportation shall remit to the department the amount of the taxes collected during the preceding month.

b. A person who willfully makes a false statement in regard to the purchase price of a vehicle subject to taxation under [this subsection](#) is guilty of a fraudulent practice. A person who willfully makes a false statement in regard to the purchase price of such a vehicle with the intent to evade the payment of tax shall be assessed a penalty of seventy-five percent of the amount of tax unpaid and required to be paid on the actual purchase price less trade-in allowance.

2. *a.* The use tax imposed upon the use of leased vehicles if the lease transaction does not require titling or registration of the vehicle shall be remitted to the department. Tax and the reporting of tax due to the department shall be remitted on or before fifteen days from the last day of the month that the tax becomes due. Failure to timely report or remit any of the tax when due shall result in a penalty and interest being imposed on the tax due pursuant to [section 423.40, subsection 1](#), and [section 423.42, subsection 1](#).

b. The amount subject to tax shall be computed on each separate lease transaction by taking the total of the lease payments, plus the down payment, and excluding all of the following:

- (1) Title fee.
- (2) Registration fees.
- (3) Use tax pursuant to [this subsection](#).
- (4) Federal excise taxes attributable to the sale of the vehicle to the owner or to the lease of the vehicle by the owner.
- (5) Optional service or warranty contracts subject to tax pursuant to [section 423.2, subsection 1](#).
- (6) Insurance.
- (7) Manufacturer's rebate.
- (8) Refundable deposit.
- (9) Finance charges, if any, on items listed in subparagraphs (1) through (8).

c. If any or all of the items in paragraph "b", subparagraphs (1) through (8) are excluded from the taxable lease price, the owner shall maintain adequate records of the amounts of those items. If the parties to a lease enter into an agreement providing that the tax imposed under [this subsection](#) is to be paid by the lessee or included in the monthly lease payments to be paid by the lessee, the total cost of the tax shall not be included in the computation of lease price for the purpose of taxation under [this subsection](#).

[2003 Acts, 1st Ex, ch 2, §119, 205; 2008 Acts, ch 1113, §44; 2010 Acts, ch 1108, §7, 15](#)

Referred to in [§312.1, 321.20, 331.557, 423.5, 423.14, 423.36, 423.43](#)

Fraudulent practices, see [§714.8 - 714.14](#)