

701—32.12(423) Exemption for vehicles previously purchased for rental. The use of motor vehicles subject to registration and previously purchased for rental is exempt from tax if the following circumstances exist:

1. The motor vehicle was registered and titled between July 1, 1982, and July 1, 1992, inclusive;
2. The motor vehicle was registered and titled to a motor vehicle dealer licensed under Iowa Code chapter 322;
3. The motor vehicle was rented to a “user” as that term is defined in Iowa Code section 422C.2 and 701—27.1(422,422C,423);
4. The dealer kept the vehicle on the inventory of vehicles for sale at all times;
5. The vehicle was to be immediately taken from the user when a buyer was found; and
6. The user was aware of this fact.

This rule is intended to implement Iowa Code chapter 423.