

**701—250.4(321) Manufacturer's rebate.**

**250.4(1)** *Generally.* A manufacturer's rebate can be used to reduce the purchase price of a vehicle subject to the fee for new registration.

**250.4(2)** *Qualifications.*

*a.* To qualify, the rebate must be:

- (1) A return of an amount that the purchaser would otherwise have paid;
- (2) In the form of money;
- (3) Offered by a manufacturer licensed under Iowa Code section 322.27; and
- (4) Applied to the purchase price of the vehicle;

*b.* Additionally, to qualify, the rebate is part of a transaction that is strictly between a manufacturer and a purchaser.

(1) The rebate must be from an entity acting as a manufacturer of such vehicle being purchased when offering the rebate. The rebate cannot be from a vehicle manufacturer engaging in other activities, such as a manufacturer acting in the capacity of a credit card issuer or a financing program; and

(2) The purchaser must be in the process of purchasing the vehicle when the rebate is given. The rebate cannot be given to a customer in a situation similar to the credit card rebate program, in which the customer earns the right to the rebate over a period of time. Purchase of the vehicle must occur simultaneously with the receipt of the rebate. The rebate cannot be allowed unless the customer purchases the vehicle.

**250.4(3)** *Exclusion from rebate.* Payment methods, such as credit or debit cards, issued by vehicle manufacturers that are used as a rebate toward the price of the manufacturer's vehicle are not considered a manufacturer's rebate for the purposes of the fee for new registration. These types of rebates cannot be used toward reducing the purchase price of a vehicle subject to the fee for new registration.

EXAMPLE: Person R purchases a vehicle subject to registration with a purchase price of \$30,000 and trades in a vehicle valued at \$10,000. The manufacturer of the newly purchased vehicle gives Person R \$1,000 on a manufacturer-issued credit card as a "rebate." Person R pays \$19,000 in cash for the new vehicle. The fee for new registration is due on \$20,000, because the "rebate" was issued on a credit card rather than applied directly to the price.

This rule is intended to implement Iowa Code section 321.105A.

[ARC 9034C, IAB 3/19/25, effective 4/23/25]