

701—34.2(321) Purchase price.

34.2(1) “Purchase price” means the same as defined in Iowa Code section 321.105A(2) “a” and does not include:

- a. Cash discounts.
- b. Allowances for the trade-in of a vehicle subject to registration, as further outlined in rule 701—34.3(321).
- c. Gasoline, if separately itemized.
- d. Fees imposed by the dealer for document processing, including but not limited to those commonly known as “doc fees.”
- e. Any manufacturer’s cash rebate to a purchaser which is applied to the purchase price of a vehicle.
- f. Optional service agreements, if separately itemized.
- g. Vehicle protection plans, if separately itemized.
- h. Costs listed under Iowa Code section 423.1(51) “a.”

34.2(2) “Purchase price” shall, by way of example and not limitation, include, if valued in money, whether or not paid in money:

- a. Accessories.
- b. Additional equipment.
- c. Services.
- d. Freight and manufacturer’s tax, valued in money.
- e. In-kind compensation.
- f. Costs listed under Iowa Code section 423.1(51) “b.”

EXAMPLE: Person A is a shareholder and employee in Corporation. In the months of April through November, Person A worked a substantial amount of overtime. In December, Corporation allowed Person A to choose whether to be paid for the overtime by receiving additional wages or by taking title to a corporate vehicle. Person A chose to take the vehicle, and Corporation transferred the title of the vehicle to Person A. The transfer of the vehicle to Person A was “in-kind” compensation paid by Corporation to Person A for the overtime hours worked. This compensation constitutes consideration. The fee for new registration is due on the amount of overtime pay that would be due had Person A opted to be paid.

34.2(3) Beginning January 1, 2022, a bill of sale, or equivalent documentation, is required to establish purchase price. The bill of sale, or equivalent documentation, must be signed by the seller. The county treasurer, department of transportation, or department may require additional or alternative documentation as necessary to sufficiently establish purchase price.

34.2(4) In case of doubt related to the purchase price, the county treasurer or the department of transportation shall collect the fee. A claim for refund may be filed by the taxpayer if the taxpayer believes the fee has been erroneously collected.

This rule is intended to implement Iowa Code section 321.105A as amended by 2021 Iowa Acts, Senate File 366.

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