

Senate Amendment 5124

Amendment Text

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1 1 Amend [Senate File 2128](#) as follows:
1 2 #1. Page 1, by inserting after line 2 the
1 3 following:
1 4 "Sec. _____. Section 331.557, subsection 3, Code
1 5 1995, is amended to read as follows:
1 6 3. Collect the use tax on vehicles subject to
1 7 registration as provided in sections 423.6.

~~and~~

- 423.7.

1 8 ~~and 423.7A.~~
1 9 Sec. _____. Section [423.2](#), Code 1995, is amended to
1 10 read as follows:
1 11 423.2 IMPOSITION OF TAX.
1 12 An excise tax is imposed on the use in this state
1 13 of tangible personal property purchased for use in
1 14 this state, at the rate of five percent of the
1 15 purchase price of the property. An excise tax is
1 16 imposed on the use of leased vehicles at the rate of
1 17 five percent of the amount otherwise subject to tax as
1 18 calculated pursuant to section 423.7A. The excise tax
1 19 is imposed upon every person using the property within
1 20 this state until the tax has been paid directly to the
1 21 county treasurer or the state department of
1 22 transportation, to a retailer, or to the department.
1 23 An excise tax is imposed on the use in this state of
1 24 services enumerated in section 422.43 at the rate of
1 25 five percent. This tax is applicable where services
1 26 are rendered, furnished, or performed in this state or
1 27 where the product or result of the service is used in
1 28 this state. This tax is imposed on every person using
1 29 the services or the product of the services in this
1 30 state until the user has paid the tax either to an
1 31 Iowa use tax permit holder or to the department.

1 32 Sec. _____. Section [423.4](#), Code 1995, is amended by
1 33 adding the following new subsection:

1 34 NEW SUBSECTION. 16. Vehicles subject to
1 35 registration under chapter 321, with a gross vehicle
1 36 weight rating of less than sixteen thousand pounds,
1 37 excluding motorcycles and motorized bicycles, when
1 38 purchased for lease and titled by the lessor licensed
1 39 pursuant to chapter 321F and actually leased for a
1 40 period of twelve months or more if the lease of the
1 41 vehicle is subject to taxation under section 423.7A.

1 42 Sec. _____. Section [423.6](#), subsection 1, Code 1995,
1 43 is amended to read as follows:

1 44 1. The tax upon the use of all vehicles subject to
1 45 registration or subject only to the issuance of a
1 46 certificate of title shall be collected by the county
1 47 treasurer or the state department of transportation
1 48 pursuant to

~~section~~

- ~~sections~~ 423.7 ~~and~~ 423.7A. The

1 49 county treasurer shall retain one dollar from each tax
1 50 payment collected, to be credited to the county
2 1 general fund.

2 2 Sec. _____. NEW SECTION. 423.7A MOTOR VEHICLE
2 3 LEASE TAX.
2 4 1. The tax imposed upon the use of leased vehicles
2 5 subject to registration under chapter 321, with gross
2 6 vehicle weight ratings of less than sixteen thousand
2 7 pounds, excluding motorcycles and motorized bicycles,
2 8 which are leased by a lessor licensed pursuant to
2 9 chapter 321F for a period of twelve months or more
2 10 shall be paid by the owner of the vehicle to the
2 11 county treasurer or state department of transportation
2 12 from whom the registration receipt or certificate of
2 13 title is obtained. A registration receipt for a
2 14 vehicle subject to registration or issuance of a
2 15 certificate of title shall not be issued until the tax
2 16 is paid in the initial instance.
2 17 2. The amount subject to tax shall be computed on
2 18 each separate lease transaction by multiplying the
2 19 number of months of the lease by the monthly lease
2 20 payments, plus the downpayment, less any
2 21 manufacturer's rebate. The county treasurer or the
2 22 state department of transportation shall require every
2 23 applicant for a registration receipt for a vehicle
2 24 subject to tax under this section to supply informa-
2 25 tion as the county treasurer or director deems
2 26 necessary as to the date of the lease transaction, the
2 27 lease price, and other information relative to the
2 28 lease of the vehicle.
2 29 3. On or before the tenth day of each month the
2 30 county treasurer or the state department of
2 31 transportation shall remit to the department the
2 32 amount of the taxes collected during the preceding
2 33 month.
2 34 4. If the lease is terminated prior to the
2 35 termination date contained in the lease agreement, no
2 36 refund shall be allowed for tax previously paid on the
2 37 monthly rental payments.
2 38 Sec. _____. Section 423.24, subsection 1, unnumbered
2 39 paragraph 1, Code Supplement 1995, is amended to read
2 40 as follows:
2 41 Eighty percent of all revenues derived from the use
2 42 tax on motor vehicles, trailers, and motor vehicle
2 43 accessories and equipment as collected pursuant to
2 44 section 423.7 and section 423.7A shall be deposited
2 45 and credited as follows:"
2 46 #2. Page 2, by inserting after line 3 the
2 47 following:
2 48 "Sec. _____. APPLICABILITY. The section of this Act
2 49 which enacts section 423.7A applies to leases entered
2 50 into on or after July 1, 1996."
3 1 #3. Title page, line 4, by inserting after the
3 2 word "revenues," the following: "providing for use
3 3 tax payments for leased vehicles,".
3 4 #4. Title page, line 5, by inserting after the
3 5 word "state" the following: ", and providing an
3 6 applicability provision".
3 7 #5. By renumbering as necessary.
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3 12 SF 2128.502 76
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