

Report

APR 17 1992

HOUSE FILE 2477

BY COMMITTEE ON WAYS AND MEANS

WAYS & MEANS CALENDAR

(SUCCESSOR TO HSB 740)

Passed House, Date 4/21/92 Passed Senate, Date 4/28/92 (A1678)
 Vote: Ayes 40 Nays 30 Vote: Ayes 32 Nays 17
 Approved May 2, 1992

A BILL FOR

1 An Act relating to motor vehicle registration fees and providing
 2 for income tax deductions for a portion of those fees and
 3 providing effective date and applicability provisions.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 2477

1 Section 1. Section 321.109, subsection 1, Code 1991, as
2 amended by 1992 Iowa Acts, Senate File 2116, section 401, and
3 1992 Iowa Acts, Senate File 2346, section 1, is amended to
4 read as follows:

5 1. The annual fee for all motor vehicles including
6 vehicles designated by manufacturers as station wagons, and
7 1993 and subsequent model years for multipurpose vehicles,
8 except motor trucks, motor homes, multipurpose-vehicles,
9 ambulances, hearses, motorcycles, and motor bicycles, and 1992
10 and older model years for multipurpose vehicles, shall be
11 equal to one percent of the value as fixed by the department
12 plus forty cents for each one hundred pounds or fraction
13 thereof of weight of vehicle, as fixed by the department. The
14 weight of a motor vehicle, fixed by the department for
15 registration purposes, shall include the weight of a battery,
16 heater, bumpers, spare tire, and wheel. Provided, however,
17 that for any new vehicle purchased in this state by a
18 nonresident for removal to the nonresident's state of
19 residence the purchaser may make application to the county
20 treasurer in the county of purchase for a transit plate for
21 which a fee of ten dollars shall be paid. And provided,
22 however, that for any used vehicle held by a registered dealer
23 and not currently registered in this state, or for any vehicle
24 held by an individual and currently registered in this state,
25 when purchased in this state by a nonresident for removal to
26 the nonresident's state of residence, the purchaser may make
27 application to the county treasurer in the county of purchase
28 for a transit plate for which a fee of three dollars shall be
29 paid. The county treasurer shall issue a nontransferable
30 certificate of registration for which no refund shall be
31 allowed; and the transit plates shall be void thirty days
32 after issuance. Such purchaser may apply for a certificate of
33 title by surrendering the manufacturer's or importer's
34 certificate or certificate of title, duly assigned as provided
35 in this chapter. In this event, the treasurer in the county

1 of purchase shall, when satisfied with the genuineness and
2 regularity of the application, and upon payment of a fee of
3 ten dollars, issue a certificate of title in the name and
4 address of the nonresident purchaser delivering the same to
5 the person entitled to the title as provided in this chapter.
6 The provisions of this subsection relating to multipurpose
7 vehicles are effective January 1, 1993, for all 1993 and
8 subsequent model years. The annual registration fee for
9 multipurpose vehicles that are 1992 model years and older
10 shall be in accordance with section 321.124.

11 Sec. 2. Section 321.124, subsection 3, Code 1991, as
12 amended by 1992 Iowa Acts, Senate File 2116, section 402, and
13 1992 Iowa Acts, Senate File 2346, section 2, is amended to
14 read as follows:

15 3. The annual registration fee for motor homes and 1992
16 and older model years for multipurpose vehicles is as follows:

17 a. For class "A" motor homes with a list price of eighty
18 thousand dollars or more as certified to the department by the
19 manufacturer, four hundred dollars for registration each year
20 through five model years and three hundred dollars for each
21 succeeding registration.

22 b. For class "A" motor homes with a list price of forty
23 thousand dollars or more but less than eighty thousand dollars
24 as certified to the department by the manufacturer, two
25 hundred dollars for registration each year through five model
26 years and one hundred fifty dollars for each succeeding
27 registration.

28 c. For class "A" motor homes with a list price of twenty
29 thousand dollars or more but less than forty thousand dollars
30 as certified to the department by the manufacturer, one
31 hundred forty dollars for the first five registrations and one
32 hundred five dollars for each succeeding registration.

33 d. For class "A" motor homes with a list price of less
34 than twenty thousand dollars as certified to the department by
35 the manufacturer, one hundred twenty dollars for registration

1 each year through five model years and eighty-five dollars for
2 each succeeding registration.

3 e. For a class "A" motor home which is a passenger-
4 carrying bus which has been registered at least five times as
5 a motor truck and which has been converted, modified or
6 altered to provide temporary living quarters, ninety dollars
7 for registration each year through ten model years and sixty-
8 five dollars for each succeeding registration. In computing
9 the number of registrations, the registrations shall be
10 cumulative beginning with the registration of the class "A"
11 motor home as a motor truck prior to its conversion,
12 modification, or alteration to provide temporary living
13 quarters.

14 f. For class "B" motor homes, ninety dollars for
15 registration each year through five model years and sixty-five
16 dollars for each succeeding registration.

17 g. For class "C" motor homes, one hundred ten dollars for
18 registration each year through five model years and eighty
19 dollars for each succeeding registration.

20 h. For multipurpose vehicles in accordance with the
21 following:

22 (1) Two hundred dollars for registration for the first and
23 second model years.

24 (2) One hundred seventy-five dollars for registration for
25 the third and fourth model years.

26 (3) One hundred fifty dollars for registration for the
27 fifth model year.

28 (4) Seventy-five dollars for registration for the sixth
29 model year.

30 (5) Fifty-five dollars for registration for each
31 succeeding model year.

32 The registration fees required by this lettered paragraph
33 are applicable to all 1992 and older model years for
34 multipurpose vehicles beginning January 1, 1993. The
35 registration fees for multipurpose vehicles that are 1993 and

1 subsequent model years shall be in accordance with section
2 321.109.

3 For purposes of determining that portion of the annual
4 registration fee which is based upon the value of the
5 multipurpose vehicle, sixty percent of the annual fee is
6 attributable to the value of the vehicle.

7 Sec. 3. Section 321.159, Code 1991, is amended to read as
8 follows:

9 321.159 EXCEPTIONAL CASES.

10 The department shall have the power to fix the registration
11 fee on all makes and models of cars motor vehicles which are
12 not now being furnished or upon which the statement from the
13 factory cannot be obtained.

14 Sec. 4. Section 422.9, subsection 2, Code Supplement 1991,
15 is amended by adding the following new paragraph:

16 NEW PARAGRAPH. h. To the extent not otherwise included
17 pursuant to section 164 of the Internal Revenue Code, add the
18 amount of the annual registration fee paid for a multipurpose
19 vehicle pursuant to section 321.124, subsection 3, paragraph
20 "h", which is based upon the value of the vehicle. For
21 purposes of this paragraph, sixty percent of the amount of the
22 registration fee is based upon the value of the multipurpose
23 vehicle.

24 Sec. 5. Section 422.35, Code Supplement 1991, is amended
25 by adding the following new subsection:

26 NEW SUBSECTION. 15. To the extent not otherwise included
27 pursuant to section 164 of the Internal Revenue Code, subtract
28 the amount of the annual registration fee paid for a
29 multipurpose vehicle pursuant to section 321.124, subsection
30 3, paragraph "h", which is based upon the value of the
31 vehicle. For purposes of this subsection, sixty percent of
32 the amount of the registration fee is based upon the value of
33 the vehicle.

34 Sec. 6. Except for sections 4 and 5 of this Act, this Act
35 takes effect January 1, 1993. Sections 4 and 5 of this Act,

1 being deemed of immediate importance, take effect upon
2 enactment, and apply retroactively to January 1, 1992, for tax
3 years beginning on or after that date.

4 EXPLANATION

5 This bill creates a two-tiered approach for determining the
6 amount of the annual registration fee for a multipurpose
7 vehicle. A multipurpose vehicle is defined in section 321.1,
8 subsection 76, as a motor vehicle designed to carry not more
9 than 10 people, and constructed either on a truck chassis or
10 with special features for occasional off-road operation.

11 Senate File 2116, which went into effect on April 1, 1992,
12 increased the registration fee for multipurpose vehicles by
13 basing the fee upon the weight and value of the vehicle to be
14 calculated in the same manner as are regular motor vehicles.
15 Senate File 2346 amended Senate File 2116, which went into
16 April 1, 1992, by establishing a set fee for annual
17 registration multipurpose vehicles which was commensurate with
18 the increases under Senate File 2116. The fee schedule is
19 \$200 for the first and second model years, \$175 for the third
20 and fourth model years, \$150 for the fifth model year, \$75 for
21 the sixth model year, and \$55 for each succeeding model year.
22 This bill retains the same fee schedule for multipurpose
23 vehicles that are 1992 and older model years, but requires
24 that the fee for 1993 and subsequent model years be determined
25 in the same manner as are regular motor vehicles which is
26 equal to 1 percent of the value plus 40 cents for each 100
27 pounds of weight.

28 In addition, this bill allows for that portion of the
29 annual registration fee which is based upon the value of the
30 multipurpose vehicle to be deductible for individual and
31 corporate income tax purposes. Sixty percent of the
32 registration fee for those multipurpose vehicles which are
33 subject to the fee schedule is attributable to the value of
34 the vehicle.

35 This bill has an effective date of January 1, 1993, for the

1 registration provisions. The tax provisions of this bill are
2 effective for tax years beginning on or after January 1, 1992.

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**HOUSE FILE 2477
FISCAL NOTE**

A fiscal note for House File 2477 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

House File 2477 creates a two-tiered approach for determining the amount of the annual registration fee for a multipurpose vehicle. The fee schedule for multipurpose vehicles that are 1992 and older model years is \$200 for the first and second model years, \$175 for the third and fourth model years, \$150 for the fifth model year, \$75 for the sixth model year, and \$55 for each succeeding model year. The fee for 1993 and subsequent model years is equal to 1% of the value plus 40 cents for each 100 pounds of weight.

House File 2477 permits the portion (60%) of the annual registration fee which is based upon the value of the multipurpose vehicle to be deductible for individual and corporate income tax purposes.

Fiscal Effect:

The increase in registration fees for multipurpose vehicles is estimated to increase revenues by \$11,475,600 for FY 1993. Of that amount, approximately \$10,985,600 will go to the Road Use Tax Fund and \$490,000 will be retained by the counties. Current law permits the counties to retain 4.25% of registration fees.

The information necessary to determine the decrease in the General Fund due to this deduction is currently unavailable. The decrease would be a result of the increase in itemized deductions for individual income taxpayers only, since corporate taxpayers are currently allowed the deduction from net income as a business expense.

SOURCE: Department of Transportation and Department of Revenue and Finance.
(LSB 6305hv, JKH)

FILED APRIL 20, 1992

BY DENNIS PROUTY, FISCAL DIRECTOR

HOUSE FILE 2477

H-5976

1 Amend House File 2477 as follows:

2 1. Page 2, by inserting after line 10, the
3 following:

4 "The annual registration fee for a multipurpose
5 vehicle with permanently installed equipment
6 manufactured for and necessary to assist a handicapped
7 person who is either the owner or a member of the
8 owner's household in entry and exit of the vehicle
9 shall be seventy-five dollars for the first through
10 fifth model years and shall be fifty-five dollars for
11 each model year thereafter. To qualify under this
12 paragraph, the owner's income and earnings must not
13 exceed one hundred fifty percent of the federal
14 poverty level as published by the United States
15 department of health and human services."

16 2. Page 3, by inserting after line 31, the
17 following: "(6) The annual registration fee for a
18 multipurpose vehicle with permanently installed
19 equipment manufactured for and necessary to assist a
20 handicapped person who is either the owner or a member
21 of the owner's household in entry and exit of the
22 vehicle shall be seventy-five dollars for the first
23 through fifth model years and shall be fifty-five
24 dollars for each model year thereafter. To qualify
25 under this subparagraph, the owner's income and
26 earnings must not exceed one hundred fifty percent of
27 the federal poverty level as published by the United
28 States department of health and human services."

By SHEARER of Louisa

MURPHY of Dubuque

BROWN of Lucas

SPENNER of Henry

HAMMOND of Story

CONNORS of Polk

H-5976 FILED APRIL 20, 1992

Adopted as amended by 5977 4/21 (p. 1064)

HOUSE FILE 2477

H-5977

1 Amend the House amendment, H-5976, to House File
2 2477, as follows:

3 1. Page 1, line 4, by striking the word
4 "multipurpose".

By SHEARER of Louisa

H-5977 FILED APRIL 21, 1992

ADOPTED (p. 1064)

HOUSE FILE 2477
FISCAL NOTE

REQ. BY SENATOR FRAISE

A revised fiscal note for House File 2477 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

House File 2477 creates a two-tiered approach for determining the amount of the annual registration fee for a multipurpose vehicle. The fee schedule for multipurpose vehicles that are 1992 and older model years is \$200 for the first and second model years, \$175 for the third and fourth model years, \$150 for the fifth model year, \$75 for the sixth model year, and \$55 for each succeeding model year. The fee for 1993 and subsequent model years is equal to 1% of the value plus 40 cents for each 100 pounds of weight.

House File 2477 permits the portion (60%) of the annual registration fee which is based upon the value of the multipurpose vehicle to be deductible for individual and corporate income tax purposes.

Assumptions

1. The average value of a new multipurpose vehicle is \$20,606 and the average weight is 3,756 pounds. The value will increase 8.0% per year. Between 1991 and 1992 the price of automobiles increased approximately 10.0%.
2. Approximately 20,000 new multipurpose vehicles are purchased annually. This legislation is effective January 1, 1993, therefore, the weight/value registration will be calculated on 10,000 new vehicles for FY 1993.
3. The average registration on new multipurpose vehicles when calculated with the weight/value formula is \$221.09 per vehicle for FY 1993. The flat registration fee on these vehicles would be \$200 under current law.

Fiscal Effect:

By changing the registration fee for 1993 and subsequent model year vehicles from a flat rate to one based on weight and value, it is estimated there will be an increase in receipts to the Road Use Tax Fund of \$201,900 in FY 1993 and \$719,500 in FY 1994. Counties will receive an increase of \$9,000 in FY 1993 and \$31,900 in FY 1994.

The information necessary to determine the decrease in the General Fund due to this deduction is currently unavailable. The decrease would be a result of the increase in itemized deductions for individual income taxpayers only, since corporate taxpayers are currently allowed the deduction from net income as a business expense.

SOURCE: Department of Transportation and Department of Revenue and Finance.
(LSB 6305hv.2, JKH)

FILED APRIL 22, 1992

BY DENNIS PROUTY, FISCAL DIRECTOR

See Ways & Means. No Pass 7/87

HOUSE FILE 2477
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HSB 740)

(As Amended and Passed by the House April 21, 1992)

Passed House, Date 4/21/92 (165/12) - Passed Senate, Date 4/26/92 (14/8)
Vote: Ayes 62 Nays 33 Vote: Ayes 32 Nays 17
Approved May 2, 1992

A BILL FOR

1 An Act relating to motor vehicle registration fees and providing
2 for income tax deductions for a portion of those fees and
3 providing effective date and applicability provisions.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

House Amendments _____

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1 Section 1. Section 321.109, subsection 1, Code 1991, as
2 amended by 1992 Iowa Acts, Senate File 2116, section 401, and
3 1992 Iowa Acts, Senate File 2346, section 1, is amended to
4 read as follows:

5 1. The annual fee for all motor vehicles including
6 vehicles designated by manufacturers as station wagons, and
7 1993 and subsequent model years for multipurpose vehicles,
8 except motor trucks, motor homes, multipurpose-vehicles,
9 ambulances, hearses, motorcycles, and motor bicycles, and 1992
10 and older model years for multipurpose vehicles, shall be
11 equal to one percent of the value as fixed by the department
12 plus forty cents for each one hundred pounds or fraction
13 thereof of weight of vehicle, as fixed by the department. The
14 weight of a motor vehicle, fixed by the department for
15 registration purposes, shall include the weight of a battery,
16 heater, bumpers, spare tire, and wheel. Provided, however,
17 that for any new vehicle purchased in this state by a
18 nonresident for removal to the nonresident's state of
19 residence the purchaser may make application to the county
20 treasurer in the county of purchase for a transit plate for
21 which a fee of ten dollars shall be paid. And provided,
22 however, that for any used vehicle held by a registered dealer
23 and not currently registered in this state, or for any vehicle
24 held by an individual and currently registered in this state,
25 when purchased in this state by a nonresident for removal to
26 the nonresident's state of residence, the purchaser may make
27 application to the county treasurer in the county of purchase
28 for a transit plate for which a fee of three dollars shall be
29 paid. The county treasurer shall issue a nontransferable
30 certificate of registration for which no refund shall be
31 allowed; and the transit plates shall be void thirty days
32 after issuance. Such purchaser may apply for a certificate of
33 title by surrendering the manufacturer's or importer's
34 certificate or certificate of title, duly assigned as provided
35 in this chapter. In this event, the treasurer in the county

1 of purchase shall, when satisfied with the genuineness and
2 regularity of the application, and upon payment of a fee of
3 ten dollars, issue a certificate of title in the name and
4 address of the nonresident purchaser delivering the same to
5 the person entitled to the title as provided in this chapter.
6 The provisions of this subsection relating to multipurpose
7 vehicles are effective January 1, 1993, for all 1993 and
8 subsequent model years. The annual registration fee for
9 multipurpose vehicles that are 1992 model years and older
10 shall be in accordance with section 321.124.

11 The annual registration fee for a vehicle with permanently
12 installed equipment manufactured for and necessary to assist a
13 handicapped person who is either the owner or a member of the
14 owner's household in entry and exit of the vehicle shall be
15 seventy-five dollars for the first through fifth model years
16 and shall be fifty-five dollars for each model year
17 thereafter. To qualify under this paragraph, the owner's
18 income and earnings must not exceed one hundred fifty percent
19 of the federal poverty level as published by the United States
20 department of health and human services.

21 Sec. 2. Section 321.124, subsection 3, Code 1991, as
22 amended by 1992 Iowa Acts, Senate File 2116, section 402, and
23 1992 Iowa Acts, Senate File 2346, section 2, is amended to
24 read as follows:

25 3. The annual registration fee for motor homes and 1992
26 and older model years for multipurpose vehicles is as follows:

27 a. For class "A" motor homes with a list price of eighty
28 thousand dollars or more as certified to the department by the
29 manufacturer, four hundred dollars for registration each year
30 through five model years and three hundred dollars for each
31 succeeding registration.

32 b. For class "A" motor homes with a list price of forty
33 thousand dollars or more but less than eighty thousand dollars
34 as certified to the department by the manufacturer, two
35 hundred dollars for registration each year through five model

1 years and one hundred fifty dollars for each succeeding
2 registration.

3 c. For class "A" motor homes with a list price of twenty
4 thousand dollars or more but less than forty thousand dollars
5 as certified to the department by the manufacturer, one
6 hundred forty dollars for the first five registrations and one
7 hundred five dollars for each succeeding registration.

8 d. For class "A" motor homes with a list price of less
9 than twenty thousand dollars as certified to the department by
10 the manufacturer, one hundred twenty dollars for registration
11 each year through five model years and eighty-five dollars for
12 each succeeding registration.

13 e. For a class "A" motor home which is a passenger-
14 carrying bus which has been registered at least five times as
15 a motor truck and which has been converted, modified or
16 altered to provide temporary living quarters, ninety dollars
17 for registration each year through ten model years and sixty-
18 five dollars for each succeeding registration. In computing
19 the number of registrations, the registrations shall be
20 cumulative beginning with the registration of the class "A"
21 motor home as a motor truck prior to its conversion,
22 modification, or alteration to provide temporary living
23 quarters.

24 f. For class "B" motor homes, ninety dollars for
25 registration each year through five model years and sixty-five
26 dollars for each succeeding registration.

27 g. For class "C" motor homes, one hundred ten dollars for
28 registration each year through five model years and eighty
29 dollars for each succeeding registration.

30 h. For multipurpose vehicles in accordance with the
31 following:

32 (1) Two hundred dollars for registration for the first and
33 second model years.

34 (2) One hundred seventy-five dollars for registration for
35 the third and fourth model years.

1 (3) One hundred fifty dollars for registration for the
2 fifth model year.

3 (4) Seventy-five dollars for registration for the sixth
4 model year.

5 (5) Fifty-five dollars for registration for each
6 succeeding model year.

7 (6) The annual registration fee for a multipurpose vehicle
8 with permanently installed equipment manufactured for and
9 necessary to assist a handicapped person who is either the
10 owner or a member of the owner's household in entry and exit
11 of the vehicle shall be seventy-five dollars for the first
12 through fifth model years and shall be fifty-five dollars for
13 each model year thereafter. To qualify under this
14 subparagraph, the owner's income and earnings must not exceed
15 one hundred fifty percent of the federal poverty level as
16 published by the United States department of health and human
17 services.

18 The registration fees required by this lettered paragraph
19 are applicable to all 1992 and older model years for
20 multipurpose vehicles beginning January 1, 1993. The
21 registration fees for multipurpose vehicles that are 1993 and
22 subsequent model years shall be in accordance with section
23 321.109.

24 For purposes of determining that portion of the annual
25 registration fee which is based upon the value of the
26 multipurpose vehicle, sixty percent of the annual fee is
27 attributable to the value of the vehicle.

28 Sec. 3. Section 321.159, Code 1991, is amended to read as
29 follows:

30 321.159 EXCEPTIONAL CASES.

31 The department shall have the power to fix the registration
32 fee on all makes and models of ~~cars~~ motor vehicles which are
33 not now being furnished or upon which the statement from the
34 factory cannot be obtained.

35 Sec. 4. Section 422.9, subsection 2, Code Supplement 1991,

1 is amended by adding the following new paragraph:

2 NEW PARAGRAPH. h. To the extent not otherwise included
3 pursuant to section 164 of the Internal Revenue Code, add the
4 amount of the annual registration fee paid for a multipurpose
5 vehicle pursuant to section 321.124, subsection 3, paragraph
6 "h", which is based upon the value of the vehicle. For
7 purposes of this paragraph, sixty percent of the amount of the
8 registration fee is based upon the value of the multipurpose
9 vehicle.

10 Sec. 5. Section 422.35, Code Supplement 1991, is amended
11 by adding the following new subsection:

12 NEW SUBSECTION. 15. To the extent not otherwise included
13 pursuant to section 164 of the Internal Revenue Code, subtract
14 the amount of the annual registration fee paid for a
15 multipurpose vehicle pursuant to section 321.124, subsection
16 3, paragraph "h", which is based upon the value of the
17 vehicle. For purposes of this subsection, sixty percent of
18 the amount of the registration fee is based upon the value of
19 the vehicle.

20 Sec. 6. Except for sections 4 and 5 of this Act, this Act
21 takes effect January 1, 1993. Sections 4 and 5 of this Act,
22 being deemed of immediate importance, take effect upon
23 enactment, and apply retroactively to January 1, 1992, for tax
24 years beginning on or after that date.

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HOUSE FILE 2477

S-5885

1 Amend House File 2477, as amended, passed, and re-
2 printed by the House, as follows:

A 3 1. Page 2, by inserting before line 21 the fol-
4 lowing:

5 "The annual registration fee for the owner of a
6 multipurpose vehicle who is sixty-five years of age or
7 older shall be seventy-five dollars for the first
8 through fifth model years and shall be fifty-five
9 dollars for each model year thereafter."

5 10 2. Page 2, by inserting before line 21 the fol-
11 lowing:

12 "The annual registration fee for the owner of a
13 multipurpose vehicle whose income and earnings do not
14 exceed one hundred fifty percent of the federal
15 poverty level as published by the United States
16 department of health and human services shall be
17 seventy-five dollars for the first through fifth model
18 years and shall be fifty-five dollars for each model
19 year thereafter."

A 20 3. Page 4, by inserting before line 18 the fol-
21 lowing:

22 "The annual registration fee for the owner of a
23 multipurpose vehicle who is sixty-five years of age or
24 older shall be seventy-five dollars for the first
25 through fifth model years and shall be fifty-five
26 dollars for each model year thereafter."

3 27 4. Page 4, by inserting before line 18 the
28 following:

29 "The annual registration fee for the owner of a
30 multipurpose vehicle whose income and earnings do not
31 exceed one hundred fifty percent of the federal
32 poverty level as published by the United States
33 department of health and human services shall be
34 seventy-five dollars for the first through fifth model
35 years and shall be fifty-five dollars for each model
36 year thereafter."

By JIM LIND

S-5885 FILED APRIL 27, 1992

DIVISION A-LOST, DIVISION B-LOST

HOUSE FILE 2477

S-5884

1 Amend House File 2477, as amended, passed, and
2 reprinted by the House, as follows:

3 1. Page 2, line 11, by inserting before the word
4 "vehicle" the following: "multipurpose".

5 2. Page 2, lines 13 and 14 by striking the words
6 "who is either the owner or a member of the owner's
7 household".

8 3. Page 2, by striking lines 17 through 20 and
9 inserting the following: "thereafter. The owner
10 shall certify at first registration and each
11 registration renewal that the vehicle is so equipped
12 and that the equipment is necessary to assist a
13 handicapped person."

14 4. Page 4, lines 9 and 10 by striking the words
15 "who is either the owner or a member of the owner's
16 household".

17 5. Page 4, by striking lines 13 through 17 and
18 inserting the following: "each model year thereafter.
19 The owner shall certify at first registration and each
20 registration renewal that the vehicle is so equipped
21 and that the equipment is necessary to assist a
22 handicapped person."

By EUGENE FRAISE

S-5884 FILED APRIL 27, 1992

ADOPTED 7/16/92

SENATE AMENDMENT TO HOUSE FILE 2477

H-6033

1 Amend House File 2477, as amended, passed, and
2 reprinted by the House, as follows:

3 1. Page 2, line 11, by inserting before the word
4 "vehicle" the following: "multipurpose".

5 2. Page 2, lines 13 and 14 by striking the words
6 "who is either the owner or a member of the owner's
7 household".

8 3. Page 2, by striking lines 17 through 20 and
9 inserting the following: "thereafter. The owner
10 shall certify at first registration and each
11 registration renewal that the vehicle is so equipped
12 and that the equipment is necessary to assist a
13 handicapped person."

14 4. Page 4, lines 9 and 10 by striking the words
15 "who is either the owner or a member of the owner's
16 household".

17 5. Page 4, by striking lines 13 through 17 and
18 inserting the following: "each model year thereafter.
19 The owner shall certify at first registration and each
20 registration renewal that the vehicle is so equipped
21 and that the equipment is necessary to assist a
22 handicapped person."

RECEIVED FROM THE SENATE

H-6033 FILED APRIL 27, 1992
REFUSED TO CONCUR

Senate Resided 4/28/92 1677

WAYS AND MEANS
Now

HOUSE FILE 2477
BY (PROPOSED COMMITTEE ON WAYS
AND MEANS BILL BY CHAIR-
PERSON GRONINGA)

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to motor vehicle registration fees and providing
2 for income tax deductions for a portion of those fees and
3 providing effective date and applicability provisions.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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SUB COMMITTEE ASSIGNMENTS

CHAIR: *D. Gant*
COMMITTEE: *W. a. m.*
4-13-92

1 Section 1. Section 321.109, subsection 1, Code 1991, as
2 amended by 1992 Iowa Acts, Senate File 2116, section 401, and
3 1992 Iowa Acts, Senate File 2346, section 1, is amended to
4 read as follows:

5 1. The annual fee for all motor vehicles including
6 vehicles designated by manufacturers as station wagons, and
7 1993 and subsequent model years for multipurpose vehicles,
8 except motor trucks, motor homes, multipurpose-vehicles,
9 ambulances, hearses, motorcycles, and motor bicycles, and 1992
10 and older model years for multipurpose vehicles, shall be
11 equal to one percent of the value as fixed by the department
12 plus forty cents for each one hundred pounds or fraction
13 thereof of weight of vehicle, as fixed by the department. The
14 weight of a motor vehicle, fixed by the department for
15 registration purposes, shall include the weight of a battery,
16 heater, bumpers, spare tire, and wheel. Provided, however,
17 that for any new vehicle purchased in this state by a
18 nonresident for removal to the nonresident's state of
19 residence the purchaser may make application to the county
20 treasurer in the county of purchase for a transit plate for
21 which a fee of ten dollars shall be paid. And provided,
22 however, that for any used vehicle held by a registered dealer
23 and not currently registered in this state, or for any vehicle
24 held by an individual and currently registered in this state,
25 when purchased in this state by a nonresident for removal to
26 the nonresident's state of residence, the purchaser may make
27 application to the county treasurer in the county of purchase
28 for a transit plate for which a fee of three dollars shall be
29 paid. The county treasurer shall issue a nontransferable
30 certificate of registration for which no refund shall be
31 allowed; and the transit plates shall be void thirty days
32 after issuance. Such purchaser may apply for a certificate of
33 title by surrendering the manufacturer's or importer's
34 certificate or certificate of title, duly assigned as provided
35 in this chapter. In this event, the treasurer in the county

1 of purchase shall, when satisfied with the genuineness and
2 regularity of the application, and upon payment of a fee of
3 ten dollars, issue a certificate of title in the name and
4 address of the nonresident purchaser delivering the same to
5 the person entitled to the title as provided in this chapter.
6 The provisions of this subsection relating to multipurpose
7 vehicles are effective January 1, 1993, for all 1993 and
8 subsequent model years. The annual registration fee for
9 multipurpose vehicles that are 1992 model years and older
10 shall be in accordance with section 321.124.

11 Sec. 2. Section 321.124, subsection 3, Code 1991, as
12 amended by 1992 Iowa Acts, Senate File 2116, section 402, and
13 1992 Iowa Acts, Senate File 2346, section 2, is amended to
14 read as follows:

15 3. The annual registration fee for motor homes and 1992
16 and older model years for multipurpose vehicles is as follows:

17 a. For class "A" motor homes with a list price of eighty
18 thousand dollars or more as certified to the department by the
19 manufacturer, four hundred dollars for registration each year
20 through five model years and three hundred dollars for each
21 succeeding registration.

22 b. For class "A" motor homes with a list price of forty
23 thousand dollars or more but less than eighty thousand dollars
24 as certified to the department by the manufacturer, two
25 hundred dollars for registration each year through five model
26 years and one hundred fifty dollars for each succeeding
27 registration.

28 c. For class "A" motor homes with a list price of twenty
29 thousand dollars or more but less than forty thousand dollars
30 as certified to the department by the manufacturer, one
31 hundred forty dollars for the first five registrations and one
32 hundred five dollars for each succeeding registration.

33 d. For class "A" motor homes with a list price of less
34 than twenty thousand dollars as certified to the department by
35 the manufacturer, one hundred twenty dollars for registration

1 each year through five model years and eighty-five dollars for
2 each succeeding registration.

3 e. For a class "A" motor home which is a passenger-
4 carrying bus which has been registered at least five times as
5 a motor truck and which has been converted, modified or
6 altered to provide temporary living quarters, ninety dollars
7 for registration each year through ten model years and sixty-
8 five dollars for each succeeding registration. In computing
9 the number of registrations, the registrations shall be
10 cumulative beginning with the registration of the class "A"
11 motor home as a motor truck prior to its conversion,
12 modification, or alteration to provide temporary living
13 quarters.

14 f. For class "B" motor homes, ninety dollars for
15 registration each year through five model years and sixty-five
16 dollars for each succeeding registration.

17 g. For class "C" motor homes, one hundred ten dollars for
18 registration each year through five model years and eighty
19 dollars for each succeeding registration.

20 h. For multipurpose vehicles, in accordance with the
21 following:

22 (1) Two hundred dollars for registration for the first and
23 second model years.

24 (2) One hundred seventy-five dollars for registration for
25 the third and fourth model years.

26 (3) One hundred fifty dollars for registration for the
27 fifth model year.

28 (4) Seventy-five dollars for registration for the sixth
29 model year.

30 (5) Fifty-five dollars for registration for each
31 succeeding model year.

32 The registration fees required by this lettered paragraph
33 are applicable to all 1992 and older model years for
34 multipurpose vehicles beginning January 1, 1993. The
35 registration fees for multipurpose vehicles that are 1993 and

1 subsequent model years shall be in accordance with section
2 321.109.

3 For purposes of determining that portion of the annual
4 registration fee which is based upon the value of the
5 multipurpose vehicle, sixty percent of the annual fee is
6 attributable to the value of the vehicle.

7 Sec. 3. Section 321.159, Code 1991, is amended to read as
8 follows:

9 321.159 EXCEPTIONAL CASES.

10 The department shall have the power to fix the registration
11 fee on all makes and models of cars motor vehicles which are
12 not now being furnished or upon which the statement from the
13 factory cannot be obtained.

14 Sec. 4. Section 422.9, subsection 2, Code Supplement 1991,
15 is amended by adding the following new paragraph:

16 NEW PARAGRAPH. h. To the extent not otherwise included
17 pursuant to section 164 of the Internal Revenue Code, add the
18 amount of the annual registration fee paid for a multipurpose
19 vehicle pursuant to section 321.124, subsection 3, paragraph
20 "h", which is based upon the value of the vehicle. For
21 purposes of this paragraph, sixty percent of the amount of the
22 registration fee is based upon the value of the multipurpose
23 vehicle.

24 Sec. 5. Section 422.35, Code Supplement 1991, is amended
25 by adding the following new subsection:

26 NEW SUBSECTION. 15. To the extent not otherwise included
27 pursuant to section 164 of the Internal Revenue Code, subtract
28 the amount of the annual registration fee paid for a
29 multipurpose vehicle pursuant to section 321.124, subsection
30 3, paragraph "h", which is based upon the value of the
31 vehicle. For purposes of this subsection, sixty percent of
32 the amount of the registration fee is based upon the value of
33 the vehicle.

34 Sec. 6. Except for sections 4 and 5 of this Act, this Act
35 takes effect January 1, 1993. Sections 4 and 5 of this Act,

1 being deemed of immediate importance, take effect upon
2 enactment, and apply retroactively to January 1, 1992, for tax
3 years beginning on or after that date.

4 EXPLANATION

5 This bill creates a two-tiered approach for determining the
6 amount of the annual registration fee for a multipurpose
7 vehicle. A multipurpose vehicle is defined in section 321.1,
8 subsection 76, as a motor vehicle designed to carry not more
9 than 10 people, and constructed either on a truck chassis or
10 with special features for occasional off-road operation.

11 Senate File 2116, which went into effect on April 1, 1992,
12 increased the registration fee for multipurpose vehicles by
13 basing the fee upon the weight and value of the vehicle to be
14 calculated in the same manner as are regular motor vehicles.
15 Senate File 2346 amended Senate File 2116, which went into
16 April 1, 1992, by establishing a set fee for annual
17 registration multipurpose vehicles which was commensurate with
18 the increases under Senate File 2116. The fee schedule is
19 \$200 for the first and second model years, \$175 for the third
20 and fourth model years, \$150 for the fifth model year, \$75 for
21 the sixth model year, and \$55 for each succeeding model year.
22 This bill retains the same fee schedule for multipurpose
23 vehicles that are 1992 and older model years, but requires
24 that the fee for 1993 and subsequent model years be determined
25 in the same manner as are regular motor vehicles which is
26 equal to 1 percent of the value plus 40 cents for each 100
27 pounds of weight.

28 In addition, this bill allows for that portion of the
29 annual registration fee which is based upon the value of the
30 multipurpose vehicle to be deductible for individual and
31 corporate income tax purposes. Sixty percent of the
32 registration fee for those multipurpose vehicles which are
33 subject to the fee schedule is attributable to the value of
34 the vehicle.

35 This bill has an effective date of January 1, 1993, for the

1 registration provisions. The tax provisions of this bill are
2 effective for tax years beginning on or after January 1, 1992.

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HOUSE FILE 2477

AN ACT

RELATING TO MOTOR VEHICLE REGISTRATION FEES AND PROVIDING FOR
INCOME TAX DEDUCTIONS FOR A PORTION OF THOSE FEES AND PROVID-
ING EFFECTIVE DATE AND APPLICABILITY PROVISIONS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 221.109, subsection 1, Code 1991, as amended by 1992 Iowa Acts, Senate File 2116, section 401, and 1992 Iowa Acts, Senate File 2346, section 1, is amended to read as follows:

1. The annual fee for all motor vehicles including vehicles designated by manufacturers as station wagons, and 1993 and subsequent model years for multipurpose vehicles, except motor trucks, motor homes, multipurpose vehicles, ambulances, hearses, motorcycles, and motor bicycles, and 1992 and older model years for multipurpose vehicles, shall be equal to one percent of the value as fixed by the department plus forty cents for each one hundred pounds or fraction thereof of weight of vehicle, as fixed by the department. The weight of a motor vehicle, fixed by the department for registration purposes, shall include the weight of a battery, heater, bumpers, spare tire, and wheel. Provided, however, that for any new vehicle purchased in this state by a nonresident for removal to the nonresident's state of residence the purchaser may make application to the county treasurer in the county of purchase for a transit plate for which a fee of ten dollars shall be paid. And provided,

however, that for any used vehicle held by a registered dealer and not currently registered in this state, or for any vehicle held by an individual and currently registered in this state, when purchased in this state by a nonresident for removal to the nonresident's state of residence, the purchaser may make application to the county treasurer in the county of purchase for a transit plate for which a fee of three dollars shall be paid. The county treasurer shall issue a nontransferable certificate of registration for which no refund shall be allowed, and the transit plates shall be void thirty days after issuance. Such purchaser may apply for a certificate of title by surrendering the manufacturer's or importer's certificate or certificate of title, duly assigned as provided in this chapter. In this event, the treasurer in the county of purchase shall, when satisfied with the genuineness and regularity of the application, and upon payment of a fee of ten dollars, issue a certificate of title in the name and address of the nonresident purchaser delivering the same to the person entitled to the title as provided in this chapter. The provisions of this subsection relating to multipurpose vehicles are effective January 1, 1993, for all 1993 and subsequent model years. The annual registration fee for multipurpose vehicles that are 1992 model years and older shall be in accordance with section 221.124.

The annual registration fee for a vehicle with permanently installed equipment manufactured for and necessary to assist a handicapped person who is either the owner or a member of the owner's household in entry and exit of the vehicle shall be seventy-five dollars for the first through fifth model years and shall be fifty-five dollars for each model year thereafter. To qualify under this paragraph, the owner's income and earnings must not exceed one hundred fifty percent of the federal poverty level as published by the United States department of health and human services.

Sec. 2. Section 321.124, subsection 3, Code 1991, as amended by 1992 Iowa Acts, Senate File 2116, section 407, and 1992 Iowa Acts, Senate File 2346, section 2, is amended to read as follows:

3. The annual registration fee for motor homes and 1992 and older model years for multipurpose vehicles is as follows:

a. For class "A" motor homes with a list price of eighty thousand dollars or more as certified to the department by the manufacturer, four hundred dollars for registration each year through five model years and three hundred dollars for each succeeding registration.

b. For class "A" motor homes with a list price of forty thousand dollars or more but less than eighty thousand dollars as certified to the department by the manufacturer, two hundred dollars for registration each year through five model years and one hundred fifty dollars for each succeeding registration.

c. For class "A" motor homes with a list price of twenty thousand dollars or more but less than forty thousand dollars as certified to the department by the manufacturer, one hundred forty dollars for the first five registrations and one hundred five dollars for each succeeding registration.

d. For class "A" motor homes with a list price of less than twenty thousand dollars as certified to the department by the manufacturer, one hundred twenty dollars for registration each year through five model years and eighty-five dollars for each succeeding registration.

e. For a class "A" motor home which is a passenger-carrying bus which has been registered at least five times as a motor truck and which has been converted, modified or altered to provide temporary living quarters, ninety dollars for registration each year through ten model years and sixty-five dollars for each succeeding registration. In computing the number of registrations, the registrations shall be cumulative beginning with the registration of the class "A"

motor home as a motor truck prior to its conversion, modification, or alteration to provide temporary living quarters.

f. For class "B" motor homes, ninety dollars for registration each year through five model years and sixty-five dollars for each succeeding registration.

g. For class "C" motor homes, one hundred ten dollars for registration each year through five model years and eighty dollars for each succeeding registration.

n. For multipurpose vehicles in accordance with the following:

(1) Two hundred dollars for registration for the first and second model years.

(2) One hundred seventy-five dollars for registration for the third and fourth model years.

(3) One hundred fifty dollars for registration for the fifth model year.

(4) Seventy-five dollars for registration for the sixth model year.

(5) Fifty-five dollars for registration for each succeeding model year.

(6) The annual registration fee for a multipurpose vehicle with permanently installed equipment manufactured for and necessary to assist a handicapped person who is either the owner or a member of the owner's household in entry and exit of the vehicle shall be seventy-five dollars for the first through fifth model years and shall be fifty-five dollars for each model year thereafter. To qualify under this subparagraph, the owner's income and earnings must not exceed one hundred fifty percent of the federal poverty level as published by the United States department of health and human services.

The registration fees required by this lettered paragraph are applicable to all 1992 and older model years for multipurpose vehicles beginning January 1, 1993. The

registration fees for multipurpose vehicles that are 1991 and subsequent model years shall be in accordance with section 321.109.

For purposes of determining that portion of the annual registration fee which is based upon the value of the multipurpose vehicle, sixty percent of the annual fee is attributable to the value of the vehicle.

Sec. 3. Section 321.159, Code 1991, is amended to read as follows:

321.159 EXCEPTIONAL CASES.

The department shall have the power to fix the registration fee on all makes and models of cars motor vehicles which are not now being furnished or upon which the statement from the factory cannot be obtained.

Sec. 4. Section 422.9, subsection 2, Code Supplement 1991, is amended by adding the following new paragraph:

NEW PARAGRAPH. h. To the extent not otherwise included pursuant to section 164 of the Internal Revenue Code, add the amount of the annual registration fee paid for a multipurpose vehicle pursuant to section 321.124, subsection 3, paragraph "h", which is based upon the value of the vehicle. For purposes of this paragraph, sixty percent of the amount of the registration fee is based upon the value of the multipurpose vehicle.

Sec. 5. Section 422.35, Code Supplement 1991, is amended by adding the following new subsection:

NEW SUBSECTION. 15. To the extent not otherwise included pursuant to section 164 of the Internal Revenue Code, subtract the amount of the annual registration fee paid for a multipurpose vehicle pursuant to section 321.124, subsection 3, paragraph "h", which is based upon the value of the vehicle. For purposes of this subsection, sixty percent of the amount of the registration fee is based upon the value of the vehicle.

Sec. 6. Except for sections 4 and 5 of this Act, this Act takes effect January 1, 1993. Sections 4 and 5 of this Act, being deemed of immediate importance, take effect upon enactment, and apply retroactively to January 1, 1992, for tax years beginning on or after that date.

ROBERT C. ARNOULD
Speaker of the House

MICHAEL E. GRONSTADT
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2477, Seventy-fourth General Assembly.

JOSEPH O'HERN
Chief Clerk of the House

Approved  1992

TERRY E. BRANSTAD
Governor