

Senate File 196 - Introduced

SENATE FILE _____
BY HOGG

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

A BILL FOR

1 An Act providing for a use tax refund for certain fuel-efficient
2 motor vehicles, and making an appropriation.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
4 TLSB 1948SS 82
5 rn/cf/24

PAG LIN

1 1 Section 1. NEW SECTION. 423.6A FUEL-EFFICIENT MOTOR
1 2 VEHICLES == REFUND.
1 3 1. A person who purchases a new motor vehicle on or after
1 4 July 1, 2007, may apply to the department for a refund of a
1 5 portion of the amount of use tax imposed and paid at the time
1 6 of purchase of the new motor vehicle by the applicant in the
1 7 amount issued on a tax refund certificate issued pursuant to
1 8 section 473.46.
1 9 2. The refund may be obtained only in the following manner
1 10 and under the following conditions:
1 11 a. On a form furnished by the department and filed by
1 12 April 30 after the end of the calendar year in which the tax
1 13 refund is to be applied, the applicant shall report to the
1 14 department the total amount of use tax paid for the new motor
1 15 vehicle on which the use tax refund certificate was issued
1 16 pursuant to section 473.46.
1 17 b. If required by the department, the applicant shall
1 18 prove that the person making the sale has included the amount
1 19 of the sale in the computation of the sales price and that
1 20 such person has paid the use tax levied under section 423.5
1 21 based upon such computation of the sales price.
1 22 c. The applicant shall provide the use tax refund
1 23 certificate issued pursuant to section 473.46 to the
1 24 department with the form required by paragraph "a".
1 25 3. If satisfied that the foregoing conditions and
1 26 requirements have been complied with, the department shall
1 27 refund the amount claimed by the applicant for an amount not
1 28 greater than the amount of the use tax refund issued in the
1 29 use tax refund certificate pursuant to section 473.46. The
1 30 department shall not issue refunds for an amount greater than
1 31 the amount appropriated under or available for the refunds in
1 32 section 423.6B. An application for a refund under this
1 33 section received after the amount of appropriated funds under
1 34 section 423.6B has been expended shall be held by the
1 35 department until the following fiscal year, at which time the
2 1 department shall reconsider the application.
2 2 Sec. 2. NEW SECTION. 423.6B APPROPRIATION FOR FUEL=
2 3 EFFICIENT MOTOR VEHICLE REFUND.
2 4 There is appropriated from the general fund of the state
2 5 each fiscal year for the fiscal period beginning July 1, 2007,
2 6 and ending June 30, 2012, to the department of revenue the sum
2 7 of five million dollars to be used for fuel-efficient motor
2 8 vehicle use tax refunds established under section 423.6A.
2 9 Amounts appropriated pursuant to this section shall be in
2 10 addition to, and shall not replace, funds otherwise
2 11 appropriated to the department of revenue. Notwithstanding
2 12 section 8.33, moneys appropriated in this section that remain
2 13 unencumbered or unobligated at the close of each fiscal year
2 14 shall not revert but shall remain available for expenditure
2 15 for the purposes designated.
2 16 This section is repealed June 30, 2012.
2 17 Sec. 3. NEW SECTION. 473.46 FUEL-EFFICIENT MOTOR
2 18 VEHICLES TAX REFUND == CERTIFICATE.
2 19 1. A person who has purchased a new motor vehicle from a
2 20 new motor vehicle dealer in this state on or after July 1,

2 21 2007, may apply to the department for a use tax refund
2 22 certificate to be used to apply for a use tax refund pursuant
2 23 to section 423.6A. If approved by the department, the amount
2 24 of the use tax refund certificate shall equal ten dollars for
2 25 each mile per gallon that the motor vehicle's highway gasoline
2 26 mileage rating averaged, for city and highway driving as
2 27 estimated by the United States environmental protection
2 28 agency, above twenty-seven and one-half miles per gallon. A
2 29 use tax refund certificate shall not be issued for an amount
2 30 less than twenty-five dollars.

2 31 2. To apply, the person shall submit a completed
2 32 application to the department containing all of the following
2 33 information:

2 34 a. A copy of the motor vehicle dealer invoice for the
2 35 motor vehicle.

3 1 b. A copy of a valid Iowa vehicle registration for the
3 2 motor vehicle. The name appearing on the vehicle registration
3 3 shall be the same name as the name of the purchaser on the
3 4 dealer invoice.

3 5 c. Proof of the vehicle purchase, which may include but is
3 6 not limited to a copy of the front and back of a canceled
3 7 check, the finance agreement, or a dealer invoice indicating a
3 8 zero balance due and receipt of payment in full.

3 9 d. Any other information the department may require.

3 10 3. If upon receipt of the completed application the
3 11 department finds that the person is qualified for a use tax
3 12 refund pursuant to section 423.6A and this section, the
3 13 department shall calculate the amount of the use tax refund
3 14 for which the person is eligible and shall issue a use tax
3 15 refund certificate to the person or notify the person in
3 16 writing of its refusal to do so. A person whose application
3 17 is denied may file an appeal with the department within sixty
3 18 days from the date of denial pursuant to the provisions of
3 19 chapter 17A.

3 20 4. For the purposes of this section, "motor vehicle" means
3 21 the same as defined in section 321.1 but shall not include a
3 22 motorcycle, motorized bicycle, snowmobile, or all-terrain
3 23 vehicle.

3 24 5. Once a use tax refund certificate is issued pursuant to
3 25 this section, the person may apply to the department of
3 26 revenue for the use tax refund pursuant to section 423.6A.

3 27 EXPLANATION

3 28 This bill provides for a use tax refund for certain
3 29 fuel-efficient motor vehicles whose combined gasoline mileage
3 30 rating exceeds 27 and one-half miles per gallon. The amount
3 31 of the credit shall be either \$10 for each mile per gallon
3 32 above 27 and one-half or \$25, whichever is greater. The use
3 33 tax refund certification procedure shall be administered by
3 34 the department of natural resources. An amount equal to \$5
3 35 million per fiscal year for five fiscal years is appropriated

4 1 to the department of revenue to issue the use tax refunds.

4 2 LSB 1948SS 82

4 3 rn:rj/cf/24.1