

House Study Bill 233 - Introduced

HOUSE FILE _____
BY (PROPOSED COMMITTEE ON
WAYS AND MEANS BILL BY
CHAIRPERSON SANDS)

A BILL FOR

1 An Act providing an exemption from the fee for new registration
2 for motor vehicles leased to certain governmental agencies
3 and nonprofit entities.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 321.105A, subsection 2, paragraph c,
2 subparagraph (25), unnumbered paragraph 1, Code 2011, is
3 amended to read as follows:

4 Vehicles subject to registration under this chapter with
5 a gross vehicle weight rating of less than sixteen thousand
6 pounds when purchased for lease and titled by the lessor
7 licensed pursuant to chapter 321F and actually leased for a
8 period of twelve months or more if the lease of the vehicle is
9 subject to the fee for new registration under subsection 3 or
10 exempt from the fee for new registration pursuant to subsection
11 3, paragraph "f".

12 Sec. 2. Section 321.105A, subsection 3, Code 2011, is
13 amended by adding the following new paragraph:

14 NEW PARAGRAPH. f. The following are exempt from the fee
15 for new registration imposed under this subsection as long as a
16 valid affidavit is filed with the county treasurer at the time
17 of application for registration:

18 (1) Vehicles leased to entities listed in section 423.3,
19 subsections 17, 18, 19, 20, 21, 22, 26, 27, 28, 31, and 79, to
20 the extent that those entities are exempt from the tax imposed
21 on the sale of tangible personal property, consisting of goods,
22 wares, or merchandise, sold at retail in the state to consumers
23 or users.

24 (2) A vehicle leased directly to a federal, state, or local
25 governmental agency and titled in an individual's name pursuant
26 to a governmental program authorized by law.

27 EXPLANATION

28 Under current law, a fee for new registration in the amount
29 of 5 percent of the purchase price of a vehicle is required
30 each time ownership of a vehicle is transferred. The fee
31 applies to leased vehicles with a gross vehicle weight rating
32 of less than 16,000 pounds and leased for a period of 12 months
33 or more. The lessor is responsible for payment of the fee, but
34 may pass the charge along to the lessee.

35 This bill creates exemptions from the fee for new

H.F. _____

1 registration for vehicles leased to federal, state, or local
2 governmental agencies or certain nonprofit entities that are
3 also exempt from the payment of sales tax and for vehicles
4 leased to a governmental agency and titled in an individual's
5 name pursuant to a governmental program authorized by law. An
6 exemption from the fee for new registration is provided under
7 current law for vehicles that are sold to the same governmental
8 agencies and nonprofit entities.