

House File 2050 - Introduced

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BY FISHER

A BILL FOR

1 An Act relating to the fee for new registration for repaired
2 motor vehicles previously titled under a salvage certificate
3 of title.

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 (17), Code 2018, is amended to read as follows:

3 (17) Vehicles titled under a salvage certificate of
4 title. However, when such a vehicle has been repaired and a
5 regular certificate of title is applied for, the fee for new
6 registration is due as follows:

7 (a) If the owner of the vehicle is a licensed recycler,
8 unless the applicant is licensed as a vehicle dealer, the fee
9 for new registration applies based on the purchase price of
10 the vehicle. If the vehicle was not purchased, the fee for
11 new registration applies based on the fair market value of
12 the vehicle, with deduction allowed for the cost of parts,
13 supplies, and equipment for which sales tax was paid and which
14 were used to rebuild the vehicle.

15 (b) If the owner is a person who is not licensed as a
16 recycler or vehicle dealer, the fee for new registration
17 applies based on the purchase price of the vehicle. If the
18 vehicle was not purchased, the fee for new registration applies
19 based on the fair market value of the vehicle, with deduction
20 allowed for the cost of parts, frames, chassis, auto bodies,
21 or supplies that were purchased to rebuild the vehicle and for
22 which sales tax was paid.

23

EXPLANATION

24 The inclusion of this explanation does not constitute agreement with
25 the explanation's substance by the members of the general assembly.

26 Under current law, when a motor vehicle titled under a
27 salvage certificate of title has been repaired and a regular
28 certificate of title is applied for by a licensed recycler,
29 unless the applicant is licensed as a vehicle dealer, the fee
30 for new registration applies based on the fair market value
31 of the vehicle, with deduction allowed for the cost of parts,
32 supplies, and equipment for which sales tax was paid and which
33 were used to rebuild the vehicle. When a motor vehicle titled
34 under a salvage certificate of title has been repaired and a
35 regular certificate of title is applied for by a person who

1 is not a licensed recycler or vehicle dealer, the fee for new
2 registration applies based on the fair market value of the
3 vehicle, with deduction allowed for the cost of parts, frames,
4 chassis, auto bodies, or supplies that were purchased to
5 rebuild the vehicle and for which sales tax was paid.

6 This bill amends current law to provide that when a motor
7 vehicle titled under a salvage certificate of title has been
8 repaired and a regular certificate of title is applied for, the
9 fee for new registration applies based on the purchase price of
10 the vehicle. However, if the vehicle was not purchased, the
11 fee for new registration applies based on the fair market value
12 of the vehicle as provided by current law.

13 Under current law, Code section 321.105A provides that
14 "purchase price" is determined in the same manner as "sales
15 price" is determined for purposes of computing the tax imposed
16 upon the sales price of tangible personal property under Code
17 chapter 423, pursuant to the definition of "sales price" in
18 Code section 423.1. In addition, the county treasurer or the
19 department of transportation must require every applicant for a
20 new registration receipt for a vehicle subject to registration
21 to supply information as the county treasurer or the director
22 of transportation deems necessary as to the time of purchase,
23 the purchase price, and other information relative to the
24 purchase of the vehicle.