

House File 436 - Introduced

HOUSE FILE 436

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A BILL FOR

1 An Act relating to child restraint systems by excluding purchases
2 from the sales and use tax and by including the value in
3 the loss calculations for specified insurance settlements of
4 automobiles, and including applicability provisions.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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DIVISION I

SALES AND USE TAX EXEMPTION

Section 1. Section 423.3, Code 2025, is amended by adding the following new subsection:

NEW SUBSECTION. 111. a. The sales price from the sale of a child restraint system used in an automobile.

b. For purposes of this subsection:

(1) "Automobile" means the same as defined in section 321.1.

(2) "Child restraint system" means the same as defined in section 321.446.

DIVISION II

INSURANCE SETTLEMENTS

Sec. 2. NEW SECTION. **507B.4D Automobile loss settlements — child restraint systems.**

If an automobile insurance policy provides for the settlement of an automobile partial loss or total loss, a person shall include the value of any child restraint system that is located in an automobile at the time the automobile is subject to a partial loss or a total loss. For purposes of this section, "automobile" has the same meaning as defined in section 321.1, and "child restraint system" has the same meaning as defined in section 321.446.

Sec. 3. APPLICABILITY. This division of this Act applies to automobile losses for automobiles that are subject to a partial loss or a total loss occurring on or after July 1, 2025.

EXPLANATION

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

This bill relates to child restraint systems.

DIVISION I — SALES AND USE TAX EXEMPTION. The bill exempts from the sales and use tax the sales price of a child restraint system. The bill defines "child restraint system".

By operation of Code section 423.6, an item exempt from the imposition of the sales tax is also exempt from the use tax imposed in Code section 423.5.

1 DIVISION II — INSURANCE SETTLEMENTS. The bill requires a
2 person to include the value of any child restraint systems that
3 are located in an automobile at the time the automobile is
4 subject to a partial or total loss. "Automobile" is defined in
5 the bill as a motor vehicle designed primarily for carrying nine
6 passengers or less, excluding motorcycles and motorized bicycles.
7 The bill defines "child restraint system" as a specially designed
8 seating system, including a belt-positioning seat or a booster
9 seat, that meets federal motor vehicle safety standards set forth
10 in 49 C.F.R. §571.213.

11 The division applies to automobile losses for automobiles that
12 are subject to a partial or total loss occurring on or after July
13 1, 2025.

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