

7 sections 422.67 to 422.75, inclusive, or any amendments which may  
8 hereafter be made thereto, all of which sections are by this reference  
9 incorporated herein.

Approved May 14, 1971.

*Italics indicate new material added to existing statutes; brackets indicate deletions from existing statutes. However, see Editor's note, page iii.*

## CHAPTER 213

### SALES TAX ON MOTOR VEHICLES

S. F. 510

AN ACT relating to sales and use tax, the distribution of revenue therefrom, and providing penalties.

*Be It Enacted by the General Assembly of the State of Iowa:*

1 SECTION 1. Notwithstanding the provisions of subsection three (3)  
2 of section four hundred twenty-two point sixty-nine (422.69) of the  
3 Code, there is appropriated from the general fund of the state for  
4 the fiscal year beginning July 1, 1971 and ending June 30, 1972 the  
5 sum of one million five hundred forty-five thousand (1,545,000) dollars  
6 and for the fiscal year beginning July 1, 1972 and ending June 30,  
7 1973 the sum of four hundred fifty thousand (450,000) dollars  
8 to the department of public safety, division of motor vehicle reg-  
9 istration, for the purpose of purchasing supplies and materials,  
10 and for the cost of manufacture of motor vehicle registration plates  
11 and validation emblems at prison industries. The appropriation pro-  
12 vided in this section shall be in lieu of the transfer of funds provided  
13 for in subsection three (3) of section four hundred twenty-two point  
14 sixty-nine (422.69) of the Code for the fiscal years for which this  
15 appropriation is provided.

1 SEC. 2. Notwithstanding the provisions of subsection five (5) of  
2 section four hundred twenty-two point sixty-nine (422.69) of the  
3 Code, during the last quarter of the fiscal years ending June 30, 1972,  
4 and June 30, 1973, the net receipts of all the sales tax collected under  
5 division four (IV) of chapter four hundred twenty-two (422) of the  
6 Code, shall be credited to the general fund of the state. The transfer  
7 of funds provided in this section shall supersede the transfer of funds  
8 provided for in subsection five (5) of section four hundred twenty-  
9 two point sixty-nine (422.69) of the Code for the fiscal years ending  
10 June 30, 1972 and June 30, 1973.

1 SEC. 3. Notwithstanding the provisions of section eight point  
2 thirty-three (8.33) of the Code, all unencumbered or unobligated bal-  
3 ances of appropriations made by this Act for the first fiscal year of  
4 the biennium commencing July 1, 1971 shall, on September 30, 1972,  
5 revert to the state treasury and to the credit of the fund from which  
6 appropriated. In all other respects the provisions of section eight  
7 point thirty-three (8.33) of the Code shall apply to appropriations  
8 made for the first fiscal year of such biennium. Unencumbered or

9 unobligated balances of appropriations made for the second fiscal year  
10 of such biennium shall be subject to section eight point thirty-three  
11 (8.33) of the Code.

1 SEC. 4. Section four hundred twenty-two point forty-two (422.42),  
2 subsection six (6), paragraph "b", Code 1971, is amended as follows:  
3 b. That in all transactions in which tangible personal property is  
4 traded toward the purchase price of tangible personal property of  
5 greater value [except the sale of vehicles subject to registration under  
6 the laws of this state], the gross receipts shall be only that portion of  
7 the purchase price represented by the difference between the total  
8 purchase price of such tangible personal property of greater value and  
9 the amount of such tangible personal property traded.

1 SEC. 5. Section four hundred twenty-two point forty-five (422.45),  
2 Code 1971, is amended by striking subsection four (4) and inserting  
3 in lieu thereof the following:

4 4. The gross receipts from sales of vehicles subject to registration.

1 SEC. 6. Section four hundred twenty-three point one (423.1), sub-  
2 section three (3), Code 1971, is amended as follows:

3 3. "Purchase price" means the total amount for which tangible  
4 personal property is sold, valued in money, whether paid in money or  
5 otherwise; provided that cash discounts and [except the sale of vehi-  
6 cles subject to registration under the laws of this state,] trade-in  
7 allowances taken on sales shall not be included.

1 SEC. 7. Section four hundred twenty-three point one (423.1),  
2 Code 1971, is amended by striking subsection seven (7) and inserting  
3 in lieu thereof the following:

4 7. "Vehicles subject to registration" means any vehicle subject to  
5 registration pursuant to section three hundred twenty-one point  
6 eighteen (321.18) of the Code.

1 SEC. 8. Section four hundred twenty-three point four (423.4),  
2 subsection one (1), Code 1971, is amended as follows:

3 1. Tangible personal property, the gross receipts from the sale of  
4 which are required to be included in the measure of the tax imposed  
5 by division IV of chapter 422, and any amendments made or which  
6 may hereafter be made thereto. This exemption does not include  
7 [new motor vehicles as defined herein] *vehicles subject to registra-*  
8 *tion.*

1 SEC. 9. Section four hundred twenty-three point four (423.4),  
2 subsection six (6), Code 1971, is amended as follows:

3 6. Tangible personal property, the gross receipts from the sale of  
4 which are exempted from the retail sales tax by the terms of section  
5 422.45, *except subsection 4 and subsection 6 of section 422.45 as it*  
6 *relates to the sale of vehicles subject to registration.*

1 SEC. 10. Section four hundred twenty-three point six (423.6),  
2 subsection one (1), Code 1971, is amended as follows:

3 1. The tax upon the use of all [new motor vehicles and new trail-  
4 ers] *vehicles subject to registration* shall be collected by the county  
5 treasurer *who shall retain twenty-five cents from each tax payment*  
6 *collected for use and benefit of the county general fund* or department  
7 of public safety pursuant to the provisions of section 423.7.

1 SEC. 11. Section four hundred twenty-three point seven (423.7),  
2 Code 1971, is amended as follows:

3 **423.7 Motor vehicles.** The tax hereby imposed upon the use of  
4 [new motor vehicles and new trailers] *vehicles subject to registra-*  
5 *tion* shall be paid by the owner thereof to the county treasurer or  
6 department of public safety from whom the [original certificate of]  
7 registration *receipt* [for such motor vehicle or trailer] is obtained.  
8 No [original certificate of] registration *receipt* for any [new motor  
9 vehicle or new trailer] *vehicle subject to registration* shall be issued  
10 until said tax has been so paid. The county treasurer or department  
11 of public safety shall require every applicant for [an original certifi-  
12 cate of] *a registration receipt* for any [new motor vehicle or new  
13 trailer] *vehicle subject to registration* to supply such information as  
14 he or the director may deem necessary as to the time of purchase, the  
15 purchase price, and other information relative to the purchase of said  
16 [motor vehicle or trailer] *vehicle subject to registration*. On or be-  
17 fore the tenth day of each month the county treasurer or department  
18 of public safety shall remit to the department the amount of the  
19 taxes so collected during the preceding month, [together with an  
20 itemized statement on forms furnished by the department showing  
21 the name of each taxpayer, the make and purchase price of each mo-  
22 tor vehicle or trailer, the amount of tax paid in each case, and such  
23 other information as the director may\* require] *accompanied by a*  
24 *copy of each registration receipt issued in conjunction with the cer-*  
25 *tificate of title issued for each vehicle subject to registration.*

1 SEC. 12. Section four hundred twenty-three point eight (423.8),  
2 Code 1971, is amended as follows:

3 **423.8 Sales tax report—deduction.** Motor vehicle or trailer deal-  
4 ers, in making their reports and returns to the department for the  
5 purpose of paying the retail sales tax imposed by division IV of chap-  
6 ter 422, shall be permitted to deduct all gross receipts from retail  
7 sales of [new motor vehicles and new trailers] *vehicles subject to reg-*  
8 *istration*. Gross receipts from [such new motor vehicle and new  
9 trailer] sales of *vehicles subject to registration* are hereby expressly  
10 exempted from the tax imposed by said division IV, but, if required  
11 by the director, such gross receipts shall be included in the returns  
12 made by motor vehicle or trailer dealers under said division IV, and  
13 proper deductions taken pursuant to this section.

1 SEC. 13. Section three hundred twenty-one point twenty (321.20),  
2 Code 1971, is amended by adding the following new subsection:

3 "The amount of tax to be paid under section four hundred twenty-  
4 three point seven (423.7) of the Code."

1 SEC. 14. Section three hundred twenty-one point twenty-four  
2 (321.24), Code 1971, is amended as follows:

3 **321.24 Issuance of registration and certificate of title.** Upon re-  
4 ceipt of the application for title and payment of the required fees for  
5 motor vehicle, trailer, or semitrailer, the county treasurer shall, when  
6 satisfied as to the genuineness and regularity thereof, issue a regis-  
7 tration receipt and certificate of title and shall file the application, the  
8 manufacturer's or importer's certificate, certificate of title, or other  
9 evidence of ownership, as prescribed by the department. The reg-

\*According to enrolled Act.

10 istration receipt shall be delivered to the owner and shall contain  
 11 upon the face thereof the date issued, the name and address of  
 12 the owner, the registration number assigned to the vehicle, the title  
 13 number assigned to the owner of the vehicle, the amount of the fee  
 14 paid, *the amount of tax paid pursuant to section four hundred twenty-*  
 15 *three point seven (423.7)*, type of fuel used and such description of  
 16 the vehicle as determined by the department and upon the reverse side  
 17 a form for notice of transfer of the vehicle. One copy of the regis-  
 18 tration receipt shall be retained by the county treasurer in a regis-  
 19 tration number file and said file shall be open for public inspection  
 20 during reasonable business hours. Two copies shall be mailed to  
 21 the department on date of issuance. The certificate of title shall con-  
 22 tain upon the face thereof the identical information required upon  
 23 the face of the registration receipt and such information shall be so  
 24 placed on the title form as to permit the county treasurer to prepare  
 25 the certificate of title simultaneously with the registration receipt.  
 26 In addition thereto, the certificate of title shall contain a statement of  
 27 the owner's title, *the amount of tax paid pursuant to section 423.7*,  
 28 name and address of previous owner, and a statement of all liens and  
 29 encumbrances as shown in the application, upon the vehicle therein  
 30 described including the nature of the lien or liens, amount, date of  
 31 notation and name and address of lienholder or lienholders. Said  
 32 certificate shall bear thereon the seal of the county treasurer, his  
 33 signature or that of his deputy, and shall provide space for the sig-  
 34 nature of the owner. Upon receipt of certificate of title the owner  
 35 shall write his name with pen and ink in the space provided. The  
 36 certificate of title shall contain upon the reverse side a form for  
 37 assignment of title or interest and warranty thereof by the owner,  
 38 for reassignments by a licensed dealer and for application for a new  
 39 certificate of title by the transferee as provided in this chapter. All  
 40 certificates of title shall be typewritten and shall be issued in tripli-  
 41 cate. The original certificate of title shall be delivered to the owner  
 42 in the event no lien or encumbrance appears thereon. Otherwise the  
 43 certificate of title shall be delivered by the county treasurer to the per-  
 44 son holding the first lien or encumbrance as shown in the certificate.  
 45 One copy of the certificate shall be retained by the county treasurer in  
 46 a title number file in the manner prescribed by the department and  
 47 shall remain in the file of the county issuing the title for a period of  
 48 three years from the date of notification of cancellation or that a new  
 49 title has been issued as provided in this chapter after which it may  
 50 be destroyed. One copy shall be mailed to the department on the  
 51 date of issuance. The department shall designate a uniform system  
 52 of title numbers so as to indicate the county of issuance.

1 SEC. 15. Chapter four hundred twenty-three (423), Code 1971, is  
 2 amended by adding the following new section:

3 "Any person who willfully makes any false statement in regard to  
 4 the purchase price of a vehicle subject to taxation under section four  
 5 hundred twenty-three point seven (423.7) of the Code is guilty of a  
 6 misdemeanor."

1 SEC. 16. Section three hundred twenty-one point thirty-five  
 2 (321.35), Code 1971, is amended by adding the following new para-  
 3 graph:

4 "All motor vehicle registration plates shall be treated with a re-  
5 flective material according to specifications prescribed by the com-  
6 missioner of public safety."

Approved June 30, 1971.

Italics indicate new material added to existing statutes; brackets indicate deletions from existing statutes. However, see Editor's note, page iii.

## CHAPTER 214

### INCOME TAX RETURNS PREPARED—CONFIDENTIAL

#### H. F. 141

AN ACT relating to disclosure of information learned during the preparation of tax returns and providing a penalty for violations.

*Be It Enacted by the General Assembly of the State of Iowa:*

1 SECTION 1. **Definition.** As used in this Act, unless the context  
2 otherwise requires:

3 1. "Person" means any person, firm, corporation, association,  
4 partnership or an employee or agent of one of these.

5 2. "Tax return" means any federal, state, or local form required  
6 to be filled out, by or for a taxpayer, incident to the collection or re-  
7 fund of a tax.

8 3. "Information" for the purpose of this Act shall include but not  
9 be limited to the name, address and statistical data of the taxpayer.

1 SEC. 2. **Disclosure prohibited.** A person who obtains any informa-  
2 tion in the course of or arising out of the business of preparing or  
3 assisting in the preparation of a tax return of another person, shall  
4 not disclose any of the information obtained unless the disclosure is  
5 within any of the following:

6 1. Consented to in writing by the taxpayer in a separate document.

7 2. Expressly authorized by state or federal law.

8 3. Necessary to the preparation of the return.

9 4. Pursuant to court order.

1 SEC. 3. **Engaged in business.** A person is engaged in the business  
2 of preparing income tax returns or assisting in preparing of returns  
3 if he does any of the following:

4 1. Advertises, or gives publicity to the effect that he prepares or  
5 assists others in the preparation of tax returns.

6 2. Prepares or assists others in the preparation of tax returns for  
7 compensation.

1 SEC. 4. **Penalty.** A person who violates the provisions of this Act  
2 shall upon conviction be punished by imprisonment in the county jail  
3 for not more than one year or be fined not more than ten thousand  
4 dollars or punished by both such imprisonment and fine.

Approved April 1, 1971.