

423C.3 Tax on rental of automobiles.

1. A tax of five percent is imposed upon the rental price of an automobile if the rental transaction is subject to the sales and services tax under [chapter 423, subchapter II](#), or the use tax under [chapter 423, subchapter III](#). The tax shall not be imposed on any rental transaction not taxable under the state sales and services tax, as provided in [section 423.3](#), or the state use tax, as provided in [section 423.6](#), on automobile rental receipts.

2. The lessor shall collect the tax by adding the tax to the rental price of the automobile.

3. The tax, when collected, shall be stated as a distinct item separate and apart from the rental price of the automobile and the sales and services tax imposed under [chapter 423, subchapter II](#), or the use tax imposed under [chapter 423, subchapter III](#).

[92 Acts, ch 1006, §4](#); [92 Acts, 2nd Ex, ch 1001, §210](#)

[C93, §422C.3](#)

[2003 Acts, 1st Ex, ch 2, §190, 203, 205](#)

[C2005, §423C.3](#)

Referred to in [§423C.4](#)