

## Sales/Use/Indirect:

### Iowa: New Law Exempts Certain Vehicle Leases / Rentals Between Affiliates from Taxation

*H.F. 664*, signed by gov. 5/17/24. Effective immediately and applicable retroactively to January 1, 2015 for leases or rentals occurring on or after such date, new law generally exempts vehicles leased between affiliates from Iowa's fee for new registration when the new registration has been paid by the lessor prior to the lease, as well as generally exempts the lease or rental of a vehicle between affiliates from Iowa sales and use tax when Iowa's sales or use tax or fee for new registration for the vehicle has been paid by the lessor or entity providing the vehicle prior to such lease or rental. Under the new law, an "affiliate" is defined as a lessor or entity providing the motor vehicle for rental that directly or indirectly controls, is controlled with or by, or is under common control with the lessee or renter. The legislation provides that refunds of taxes, interest, or penalties which arise from this bill for vehicle leases or rentals occurring between January 1, 2015, and the bill's effective date "shall not be allowed, notwithstanding any other provision of the law to the contrary." Please contact us with any questions.

**URL:** <https://www.legis.iowa.gov/legislation/BillBook?ga=90&ba=hf664>

— Robyn Staros (Chicago)  
Managing Director  
Deloitte Tax LLP  
[rstaros@deloitte.com](mailto:rstaros@deloitte.com)

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms or their related entities (collectively, the “Deloitte organization”) is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser.

No representations, warranties or undertakings (express or implied) are given as to the accuracy or completeness of the information in this communication, and none of DTTL, its member firms, related entities, employees or agents shall be liable or responsible for any loss or damage whatsoever arising directly or indirectly in connection with any person relying on this communication. DTTL and each of its member firms, and their related entities, are legally separate and independent entities.

#### **About Deloitte**

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms, and their related entities (collectively, the “Deloitte organization”). DTTL (also referred to as “Deloitte Global”) and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see [www.deloitte.com/about](http://www.deloitte.com/about) to learn more.

Deloitte provides industry-leading audit and assurance, tax and legal, consulting, financial advisory, and risk advisory services to nearly 90% of the Fortune Global 500® and thousands of private companies. Our professionals deliver measurable and lasting results that help reinforce public trust in capital markets, enable clients to transform and thrive, and lead the way toward a stronger economy, a more equitable society and a sustainable world. Building on its 175-plus year history, Deloitte spans more than 150 countries and territories. Learn how Deloitte’s approximately 415,000 people worldwide make an impact that matters at [www.deloitte.com](http://www.deloitte.com).