701—34.3(423) Returned vehicles and tax refunded by manufacturers. When a vehicle subject to registration is sold and later returned to the seller with the entire purchase price refunded, the purchaser is entitled to a refund of the use tax paid. To obtain a refund the purchaser must be able to show that the entire purchase price was returned and provide proof that the use tax had been paid. See rule 701—30.11(423) for details on claims for refund.

If a vehicle manufacturer has refunded to any purchaser, lessee, or lessor of a vehicle any amount required to be refunded by Iowa Code chapter 322G (Lemon Law), and a portion of that refund is use tax paid by the purchaser, lessee, or lessor, then the department shall refund to the manufacturer the amount of use tax which the manufacturer has refunded to the purchaser, lessee, or lessor. The manufacturer must send the department a written request for a refund, which contains adequate proof that the tax was paid when the vehicle was purchased and that the manufacturer refunded the tax to the purchaser, lessee, or lessor who paid it.

This rule is intended to implement Iowa Code sections 322G.4(2), 423.1, and 423.7.