

S.F. No. 985, as introduced - 87th Legislative Session (2011-2012) [11-2735]

2.1 total amount to be paid during the initial term of the lease, and then for each subsequent
2.2 renewal period on the total amount to be paid during the renewal period.

2.3 (c) If a lease is canceled or rescinded on or before 90 days of its execution or if a
2.4 vehicle is returned to the manufacturer under section 325F.665, the lessor may file a claim
2.5 for a refund of the total tax paid minus the amount of tax due for the period the vehicle is
2.6 used by the lessee.

2.7 (d) If a lessee's obligation to make payments on a lease is canceled more than 90
2.8 days after its execution, a credit is allowed against sales tax or motor vehicles sales tax
2.9 due on a subsequent lease or purchase of a motor vehicle if that lease or purchase is
2.10 consummated within 30 days of the date the prior lease was canceled. The amount of the
2.11 credit is equal to (1) the sales tax paid at the inception of the lease, multiplied by (2)
2.12 the ratio of the number of full months remaining in the lease at the time of termination
2.13 compared to the term of the lease used in calculating sales tax paid at the inception of the
2.14 lease. The credit or any part of it cannot be assigned or transferred to another person.

2.15 (e) For rent-to-own or lease-to-own used vehicles where the lessee may purchase or
2.16 return the vehicle at any time for any reason without penalty, the sales tax is imposed:

2.17 (1) on the amount of the down payment and is collected at the time the down
2.18 payment is paid by the lessee; and

2.19 (2) on each periodic lease payment and is collected at the time of each periodic
2.20 lease payment.