Changes to IADA's Motor Vehicle Purchase Agreement (CPO6)

A new, improved version of IADA's Motor Vehicle Purchase Agreement has arrived. The user-friendly design of CPO6 makes it easier to comply with the regulations around purchasing an automobile—but the significant changes mean that reprogramming is required for the first time in 12 years. IADA recommends dealerships take this opportunity to make sure your dealership's programming is correct and that you are complying with Iowa law and best practices.

A
Accessories are included in the Cash Price and are taxed at the Iowa one-time registration fee rate of 5%.

B
The Documentary Fee is required by Iowa law to be included in the Cash Price. This is a fee that is not taxed so there is a line (Less Documentary Fee) that removes the documentary fee in order to calculate the amount subject to the fee on new registration.

C
Cash Price is the total price of the vehicle, accessories, and documentary fee. The price must be the same on both lines, as shown in the example.

D
Registration, Title, License Fee Area: Each fee now has its own line.

You can add postage fees ($1 or $3) to the license fee field if you are charged by the county treasurer.

E
Electronic Registration & Titling Fee is a new field that has been added and can be used once the statewide program launches.

F
All products that are not physically added to the vehicle are to be listed in the 10 blank spaces under the fees.

There are two ways to show pricing:

1. List the product name with pricing formatted as XXX.XX + XX.XX sales tax. Place the combined price on the right-hand side of the form.

2. List the product name with an asterisk next to the items that are taxable and show the price on right-hand side of form. Include a separate line for sales tax at the bottom.

GAP, Credit A & H, and Credit Insurance products are not taxable in Iowa.

Vehicle protection packages are not taxable in Iowa.*

Maintenance agreements to repair and replace items covered by "protection package" are subject to sales tax, even if labeled "vehicle protection package."

*See Iowa UT510 Manual page 12: Services for paint protection, fabric, leather and vinyl protection, rustproofing and undercoating are not taxable.

	PRICE OF VEHICLE		$
A	ACCESSORIES:		
	RUNNING BOARDS		980.00
	MUD FLAPS		250.00
	BED LINER		350.00
B	DOCUMENTARY FEE		$ XXX.XX
	$ 35000.00	**CASH PRICE** C	$ 35000.00
	$ XXX.XX	LESS DOCUMENTARY FEE	
	$	LESS TRADE-IN ALLOWANCE	
	$	LESS MANUFACTURER'S REBATE	
	$		
	$	AMOUNT SUBJECT TO FEE FOR NEW REGISTRATION	
D	FEE FOR NEW REGISTRATION		$
	TITLE FEE		$
	LICENSE FEE		$
	LIEN FILING FEE [credit sale only see (1) on page 2]		$
E	ELECTRONIC REGISTRATION & TITLING FEE		$
	MAINTENANCE PLAN	600.00 + 42.00 sales tax	642.00
	SERVICE CONTRACT	1600.00 + 112.00 sales tax	1712.00
	VEHICLE PROTECTION PKG	995.00 + 0.00 sales tax	995.00
F	GAP PROTECTION	600.00 + 0.00 sales tax	600.00
	CREDIT INSURANCE	513.00 + 0.00 sales tax	513.00
	TOTAL CASH DELIVERED PRICE		$
	LESS TOTAL DOWN PAYMENT or PLUS AMOUNT OWED		$
	UNPAID CASH BALANCE DUE ON DELIVERY		$
	OTHER INFORMATION OR TERMS OF SALE:		

Pricing Option Two:

MAINTENANCE PLAN*	600.00
SERVICE CONTRACT*	1600.00
VEHICLE PROTECTION PKG	995.00
GAP PROTECTION	600.00
CREDIT INSURANCE	513.00
*SALES TAX	154.00

(Items with an asterisk are included in calculating this sales tax figure)