Vehicle Registration Fee Deduction and Worksheet

If you itemize deductions, a portion of the automobile or multipurpose vehicle annual registration fee you paid may be deducted as personal property tax on your Iowa Schedule A, line 6, and federal Schedule A, line 8. This deduction is for annual registration fees paid based on the value of qualifying automobiles and multipurpose vehicles. Multipurpose vehicles are defined as motor vehicles designed to carry not more than 10 people, and constructed either on a truck chassis or with special features for occasional off-road operation [Iowa Code section 321.1(44)]. Annual registration fees on the following vehicles are not deductible: pickups (model year 2009 or older), motor trucks, work vans, ambulances, hearses, non-passenger-carrying vans, campers, motorcycles, or motor bikes.

Newer Vehicles:

Use the following worksheet to calculate the deductible amount of annual registration fees paid for qualifying automobiles (model year 2004 or newer), pickups (model year 2010 or newer),* and multipurpose vehicles (model year 1993 or newer).

* For tax years 2008 and earlier, pickup truck registration fees could not be taken as an itemized deduction, because the fees were structured as a flat fee and were not based on value. However, beginning with the 2009 tax year, there was a change in the registration fee structure for pickups. More specifically, only 2010 and newer trucks that weigh in at 10,000 pounds or less when empty are registered based on weight, list price, and model year. All other trucks are still subject to a registration fee based on weight. Consequently, certain 2010 model year and newer trucks may use the Vehicle Registration Deduction Worksheet.

1. Enter the actual annual registration fee paid.

2. Take the weight of your automobile and divide it by 250. The weight is found on your automobile registration certificate.

3. Subtract line 2 from line 1. This is the deductible amount.

Example
Malia purchased an automobile from Jennifer. The actual fee Malia paid to register the automobile at the courthouse was $150. The weight of the automobile is 3,000 pounds. The deductible amount is calculated as follows:

1. Enter the actual annual registration fee paid. 1. 150
2. Take the weight of your automobile and divide it by 250. The weight is found on your automobile registration certificate. 2. 12
3. Subtract line 2 from line 1. This is the deductible amount. 3. 138

Older Vehicles:
For qualifying automobiles (model year 2003 or older) and multipurpose vehicles (model year 1992 or older) the deductible amount is 60% of the annual registration fees paid in 2014.