

Notice

Notice Number: 95-09
Tax Type: Kansas Retailers' Sales Tax
Brief Description: Some Vehicle Sales Now Exempt
Keywords:
Effective Date: 07/01/1995

Body:

Division of Taxation

SOME VEHICLE SALES NOW EXEMPT

County treasurers should be aware of a new sales tax exemption on isolated and occasional sales of motor vehicles. This notice is intended to help county treasurers understand the exemption, who qualifies for it, and how it may be claimed.

Beginning July 1, 1995, sales of motor vehicles between immediate family members are exempt from sales tax. Immediate family members are defined as lineal ascendants and descendants and their spouses. Accordingly, the sale or gift of a vehicle on which there is a lien is exempt if the buyer and seller are immediate family members, as defined in the statute.

Vehicle sales that qualify for this exemption include, but are not limited to, sales from a:

- parent to son or daughter (including adopted children and step children) and their spouses;
- son or daughter to mother or father (including step parents);
- son-in-law or daughter-in-law to parent-in-law;
- grandparent to a grandchild or the grandchild's husband or wife; and
- grandchild to a grandparent or to the grandparent's spouse.

Sales between brothers and sisters, aunts, uncles, nieces, and nephews are not sales between "immediate family members" as defined by the new law and do not qualify for this exemption.

When one or more of the joint owners of a vehicle are not immediate family members, the sale is exempt only if the sellers' title is an "and/or" or "or" type of ownership. For example, Joe Brown and Mary Green are brother and sister and are selling their car to Susan Green, Mary's daughter. The sale is exempt if the car is currently titled to "Joe Brown **and/or** Mary Green" or "Joe Brown **or** Mary Green." The sale is taxable if the car is titled to "Joe Brown and Mary Green."

Vehicles that qualify for this exemption generally include cars, light trucks, and motorcycles. Vehicles that do not qualify for this exemption are trailers and vehicles defined under K.S.A. 79-5101. These are:

- all state assessed vehicles (including utility vehicles);
- motor vehicles having a gross weight of more than 12,000 pounds;
- motor vehicles owned by car rental companies;
- recreational vehicles; and
- all other vehicles which are exempted from property tax under the provisions of the Kansas Statutes Annotated or the Kansas Constitution.

To certify that a vehicle sale is exempt the enclosed Affidavit of Relationship (form TR-215) must be completed. Both the buyer and seller must attest to their family relationship and each of their signatures must be notarized. Buyers must submit the affidavit to their county treasurer. The treasurer should forward the affidavit and title paperwork to the Department of Revenue.

If you have questions about this exemption or its application, please call (913) 296-0222, or write to the Taxpayer Assistance Bureau, Kansas Department of Revenue, 915 SW Harrison St., Topeka, Kansas, 66625-0001.

NOTICE 95-09 (7/12/95)
TO: County Treasurers
RE: Vehicle Sales Tax Exemption

Division of Taxation AFFIDAVIT OF RELATIONSHIP

Complete all parts of this form. Both the seller's and buyer's signatures must be notarized.

Vehicle Information:

Year Make Model ID#

The sale of the above vehicle is exempt from sales tax because of the family relationship between the seller and the buyer.

Relationship Certification—Seller:

I hereby certify that I am related to the buyer as a lineal ascendant or descendent. I am the of the buyer. (father, mother, etc.—see box below)

Seller's Signature:

By my signature I swear or affirm that this is a true and correct statement. I am aware that the law provides severe penalties for making false statements under oath.

State of
County of

Signed and sworn to or affirmed before me on (Seal, if any)
(Date)

Notary Public: My Commission Expires:

RELATIONSHIP CERTIFICATION—BUYER:

I hereby certify that I am related to the seller as a lineal ascendant or descendent. I am the of the seller.
(son, daughter, etc.—see box below)

Buyer's Signature:

By my signature I swear or affirm that this is a true and correct statement. I am aware that the law provides severe penalties for making false statements under oath.

State of
County of

Signed and sworn to or affirmed before me on (Seal, if any)
(Date)

Notary Public: My Commission Expires:

Lineal ascendants or descendants are: grandfather, grandmother, father, mother, son, daughter, adopted child, step child, grandchild, and the spouses of any of these. A brother, sister, aunt, uncle, niece or nephew **does not** qualify for exemption.

TR-215 (7/95)

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