**Memorandum**

|  |  |
| --- | --- |
| **Identifying Information:** | **Senate Bill 147 Sales Tax on Isolated and Occasional Sales** |

|  |  |
| --- | --- |
| **Tax Type:** | **Vehicles** |
| **Brief Description:** | **Senate Bill 147 Sales Tax on Isolated and Occasional Sales** |
| **Keywords:** |  |
| **Approval Date:** | **06/23/2004** |

**Body:**

**DEPARTMENT OF REVENUE**
**DIVISION OF VEHICLES**

**Memorandum**

**To: County Treasurers and T&R Staff**

**From: Peggy Stalcup, Assistant Manager, Titles and Registrations**

**Date: June 23, 2004**

**Subject Senate Bill 147 Sales Tax on Isolated and Occasional Sales**

Senate Bill 147 states that the base for computing the sales tax shall be the stated selling price of the motor vehicle or trailer or the property tax value, whichever is higher. It further states that the actual selling price shall be the base for computing the tax on the isolated or occasional sale of a wrecked or damaged vehicle.

A tax chart to be used to determine the property tax value will be placed on your as/400 for on demand printing. The menu option will be named “Alternative Motor Vehicle Cost Chart” If you need to determine the property tax value on a motor vehicle before the chart is available, simply take the taxable value X 5 to arrive at the taxable figure. This statute does not apply to heavy trucks or recreational vehicles. This applies to all staggered motor vehicles.

You may go into the property tax inquiry on your VIPs system to obtain the taxable value of the vehicle based on the class code assigned to the vehicle. Property tax is option 2 from your inquiry menu.

You may accept the stated sale price on any motor vehicle that has previously been titled as a salvage or rebuilt salvage vehicle or are presenting a TR-13 (salvage affidavit). If a customer is claiming the sale price as the stated sale price based on the vehicle being wrecked or damaged, they must fill out the TR-13 and apply for a salvage title. Customers who refuse to fill out a TR-13 and want to claim stated sales price based on the vehicle being wrecked or damaged will be charged tax based on the property tax value. This bill becomes effective July 1, 2004.

The statute also applies to trailers. However, property tax value is not available on the VIPs system for trailers. You will have to work with the appraisers office to determine the tax value on trailers.

The Division of Vehicles in partnership with our Information Systems Bureau is attempting to identify methodologies which will enable the VIPs system to default to the alternative motor vehicle cost chart while using the sales tax programs to determine the higher value of the vehicle. At this time, we cannot provide a target completion date for this enhancement. However, we will advise you when we begin programming the change and a target date of implementation.

Thanks for your support and co-operation. It is appreciated. If you have questions, please call Mathew Moser, Ray Wilk or myself for clarification.

cc: Carmen Alldritt, Director of Vehicles
Mathew Moser, Manager Titles & Registrations

04-043

**Date Composed: 06/28/2004 Date Modified: 06/28/2004**