

Memorandum of Decision: 04-20191554R
Gross Retail Tax
For the Year 2019

NOTICE: IC § 4-22-7-7 permits the publication of this document in the Indiana Register. The publication of this document provides the general public with information about the Indiana Department of Revenue's official position concerning a specific set of facts and issues. The "Holding" section of this document is provided for the convenience of the reader and is not part of the analysis contained in this Memorandum of Decision.

HOLDING

Business was entitled to a refund of Indiana sales tax paid on the purchase of a vehicle as it was able to provide documentation proving that the actual sales price of the vehicle was less than what was listed on the BMV records.

ISSUE

I. Gross Retail Tax - Indiana Vehicle Sales.

Authority: IC § 6-2.5-2-1; Sales Tax Information Bulletin #28S (May 2019).

Taxpayer protests the denial of refund of gross retail tax.

STATEMENT OF FACTS

Taxpayer purchased and registered a vehicle in Indiana in 2019. At the time Taxpayer registered the vehicle, the Indiana Bureau of Motor Vehicles ("BMV") clerk entered \$7,500 as the sales price of the vehicle on the "Application for Certificate of Title for a Vehicle" and thus Taxpayer paid \$525 in Indiana sales tax. Taxpayer claims that they only paid \$750 for the vehicle and that the \$7,500 was entered by mistake. Thus, Taxpayer claims that they should have only paid \$52.50 in Indiana sales tax. Taxpayer filed a Claim for Refund ("Claim") for the difference which Indiana Department of Revenue ("Department") denied. Taxpayer protested and provided additional documentation supporting its Claim. This Memorandum of Decision results. Additional facts will be provided as necessary.

I. Gross Retail Tax - Indiana Vehicle Sales.

DISCUSSION

Indiana imposes a sales tax on retail transactions. IC § 6-2.5-2-1 *et seq.* The person who acquires tangible personal property in a retail transaction is liable for the tax on the transaction. IC § 6-2.5-2-1(b). Taxpayer claims a refund of sales tax paid on a vehicle under IC § 6-2.5-2-1.

According to Indiana law "all sales of motor vehicles . . . purchased in Indiana are subject to Indiana sales . . . tax." Information Bulletin #28S 20190626 Ind. Reg. 045190314NRA. Taxpayer purchased a vehicle in Indiana in 2019. When Taxpayer registered the vehicle, a BMV employee listed the taxable sales price as \$7,500 and assessed Indiana tax of \$525 based on that price. Taxpayer has provided documentation establishing that the actual sales price was \$750. Therefore, Taxpayer should only have paid Indiana tax of \$52.50. Taxpayer is entitled to a refund of \$472.50.

FINDING

Taxpayer's protest is sustained.

January 17, 2020

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