



INDIANA DEPARTMENT OF REVENUE

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INFORMATION BULLETIN #72
SALES TAX
MARCH 2018
Effective Date: July 1, 2017 (retroactive)
(Replaces Bulletin #72 dated July 2008)

SUBJECT: Sales Tax Exemption for Recreational Vehicles and Cargo Trailers

REFERENCE: IC 6-2.5-2-4; IC 6-2.5-5-39; IC 6-2.5-10-6

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SUMMARY OF CHANGES

Aside from technical, nonsubstantive changes, this bulletin has been changed from the previous bulletin to reflect that sales tax on sales of recreational vehicles and cargo trailers to customers from certain states will be charged at the destination state's sales tax rate. This bulletin has also been revised to provide the new form to be used by sellers of recreational vehicles and cargo trailers for sales tax filing.

I. INTRODUCTION

SEA 106-2006 provides that purchasers of recreational vehicles and cargo trailers are exempt from Indiana sales tax if the purchaser's state of registration offers similar treatment to Indiana purchasers of recreational vehicles and cargo trailers. SEA 172-2017 is specifically directed toward the sales of recreational vehicles and cargo trailers to individuals or entities that intend to title and register the vehicle for use in another state or country, and for which state or country the exemption under IC 6-2.5-5-39 does not apply. Effective July 1, 2017, the sales tax rate imposed on such sales is the state-level sales tax rate of the state in which the recreational vehicle or cargo trailer will be titled and/or registered, provided that the requirements under section IV of this Information Bulletin are followed.

For periods beginning on or after July 1, 2017, retail merchants selling recreational vehicles and cargo trailers in the ordinary course of business will be required to file Form ST-103CAR as opposed to Form ST-103 for sales and use tax reporting. For periods ending prior to July 1, 2017, Form ST-103 should be used.

II. DEFINITIONS

A recreational vehicle is defined as a vehicle with or without motive power equipped exclusively for living quarters for persons traveling upon the highways. The term includes a travel trailer, a motor home, a truck camper with a floor and facilities enabling it to be used as a dwelling, and a fifth wheel trailer.

A cargo trailer is defined as a vehicle without motive power, designed for carrying property, designed to be drawn by a motor vehicle, and having a gross weight of at least 2,200 pounds.

III. EXEMPTION FROM THE SALES TAX

Sales of recreational vehicles and cargo trailers by Indiana dealers destined for out-of-state registration are exempt from the Indiana sales tax if the state where the recreational vehicle or cargo trailer will be registered provides a similar exemption for an Indiana resident making a purchase in that state. This exemption also applies to states that do not impose a sales tax. The jurisdictions below provide a drive-out exemption, provide reciprocity, or have no sales tax.

Alabama	Alaska	Arkansas
Colorado	Connecticut	Delaware
Dist. of Columbia	Georgia	Idaho
Illinois	Indiana	Iowa
Kansas	Kentucky*	Louisiana
Maine*	Maryland	Minnesota
Missouri	Montana	Nebraska
Nevada	New Hampshire	New Jersey
New Mexico	New York	North Dakota
Ohio	Oklahoma	Oregon
Pennsylvania	Rhode Island*	South Dakota
Tennessee	Texas	Utah
Vermont	Virginia	Washington
West Virginia	Wisconsin	Wyoming

*Only applies to recreational vehicles; for cargo trailers to be titled and registered in these states, the rules set forth in section IV below must be followed.

IV. STATES WITH NO EXEMPTION

There are nine states plus Canada, Mexico, and all other foreign countries that do not provide an exemption for vehicles to be registered in Indiana. Because of this, purchases 1) made from Indiana dealers and 2) to be registered in one of the following will be required to pay Indiana sales tax at the time of purchase.

Arizona	California	Florida
Hawaii	Massachusetts	Michigan
Mississippi	North Carolina	South Carolina

Beginning on July 1, 2017, when the purchaser of a recreational vehicle or cargo trailer intends to both (a) transport that vehicle or trailer to a destination outside Indiana within 30 days after delivery, and (b) title and register that vehicle or trailer for use in one of the states listed above, the rate at which sales tax is to be imposed and collected on the sale is the rate of the intended destination state or country. However, the dealer and purchaser must complete an ST-108NR to document the collection of sales tax at a rate other than Indiana's 7% rate.

The sales tax rates of the other states are inclusive of only state-level rates. Any locally imposed sales tax rates in the other states are not included in the rates Indiana dealers will be required to collect. Additionally, the statutory language of IC 6-2.5-2-4 requires the application of the destination state's state-level sales tax rate only to the sale of a vehicle or trailer that is to be titled and registered for use in the states specified above (or, for Kentucky, Maine, and Rhode Island, cargo trailers). Accordingly, the destination state's sales tax rate is the only aspect of that state's laws that will be incorporated by virtue of IC 6-2.5-2-4. The statute does not incorporate other aspects of a state's laws relating to transactions involving recreational vehicles and cargo trailers, such as other states' trade-in rules, caps on tax, and exemptions.

V. PROOF OF EXEMPTION OR COLLECTION OF SALES TAX AT A RATE OTHER THAN INDIANA'S RATE

A purchaser who is purchasing a recreational vehicle or cargo trailer in Indiana to be registered in another state for which a drive-out exemption is applicable must complete an affidavit of exemption (Form ST-137RV) when he purchases the recreational vehicle or cargo trailer. The purchaser certifies under penalty of perjury that he is not an Indiana resident and will remove the recreational vehicle or cargo trailer within 30 days to be registered in one of the states listed in the exemption from sales tax category.

The original signed ST-137RV form must be mailed to the department by the Indiana retail merchant within 30 days of the purchase invoice date. The department will notify the purchaser's state of residence as indicated on the ST-137RV form. The selling dealer must maintain a copy of the ST-137RV in order to document non-collection of the Indiana sales tax.

When an Indiana dealership sells a recreational vehicle or cargo trailer to a customer who intends to title and register the vehicle or trailer for use in one of the jurisdictions to which section IV applies, the dealership and customer must complete Form ST-108NR, available online on the department's website at www.in.gov/dor/3504.htm. The dealership must keep a copy of each completed ST-108NR on file to document the buyer's information and the amount of tax collected for each transaction.



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