



Special Notice

WASHINGTON STATE DEPARTMENT OF REVENUE

JUNE 4, 2007

Vehicles and Parts Sales to Nonresidents

Beginning July 22, 2007, SHB 2158, chapter 135, Laws of 2007, changes the documentation requirements necessary for making tax exempt sale of motor vehicles, trailers and campers to nonresidents. This legislation also provides the conditions under which charges for parts installed during the repair of such vehicles are exempt from sales tax. This bill also provides that the Department may inspect the documentation retained by the dealer and, in certain situations, contact buyers to verify their eligibility for the exemption.

Vehicle Sales to Nonresidents

Sales of motor vehicles, trailers, or campers delivered to nonresidents in this state, are exempt from sales tax if the following requirements are met:

- The vehicle will be taken outside the state under a vehicle trip permit issued by the Department of Licensing; or
- The vehicle is immediately registered and licensed under the laws of the state of the buyer's residence, **and**
- The vehicle will not be used in Washington for more than three months, and will not be required to be registered and licensed under the laws of this state.

Vehicle Dealer Held Harmless

The dealer will not be held responsible for uncollected sales tax if the dealer obtains the following documents, which must be made available upon request of the Department:

- 1) A copy of the buyer's currently valid out-of-state driver's license (or other official picture identification)
- 2) A copy of any one of the following documents, on which there is an out-of-state address for the buyer:
 - a) A current residential rental agreement
 - b) A property tax statement from the current or previous year
 - c) A utility bill, dated within the previous two months
 - d) A state income tax return from the previous year
 - e) A voter registration card
 - f) A current credit report
- 3) A witnessed declaration, signed by the buyer, and stating that the buyer's purchase meets the requirements of the exemption
- 4) A seller's certification, stating that either a vehicle trip permit was issued or the vehicle was immediately registered and licensed in another state as required by this exemption.

P.O. BOX 47478 | OLYMPIA, WASHINGTON 98504-7478 | 1-800-647-7706 | [HTTP://DOR.WA.GOV](http://DOR.WA.GOV)

To inquire about the availability of this document in an alternate format for the visually impaired, please call (360) 705-6715. Teletype (TTY) users please call 1-800-451-7985.

A dealer is personally liable for the uncollected sales tax if the dealer:

- Sells a motor vehicle, trailer, or camper to a person who does not provide the documents required; or
- Fails to retain the documents required for a minimum of four years plus the current year.

Vehicle dealers are not required to make exempt sales of vehicles to nonresidents. They may instead collect retail sales tax and remit the tax to the Department of Revenue.

Qualifying Nonresidents Repair Parts Exemption

Residents of states (other than Washington) or Canadian provinces that impose a sales tax of three percent or less may purchase automotive parts (for automobiles, trailers, or campers) to be used outside of Washington without paying retail sales tax.¹

Parts that are installed by the seller are exempt from sales tax if:

- The charges for parts are separated from labor or other installation charges; and
- The separately stated parts charges do not exceed the seller's current publicly stated retail price for the parts or, if no separately stated retail price is available, the seller's cost for the parts.

The exemption does not apply to labor or other charges for installation.

There is no exemption allowed if the seller does not itemize or separate the charge for the parts.

Dealers making tax exempt part sales to qualifying nonresidents, must maintain documentary proof of the buyers current nonresident status (i.e., driver's license, or other official photographic identification card with the current nonresident address).

Sellers are not required to make exempt sales of parts. They may instead collect retail sales tax and remit the tax to the Department of Revenue.

If you have questions, please contact the Department at (800) 647-7706.

¹ For a listing of states and Canadian provinces that currently charge sales tax of 3 percent or less, search for excise tax advisory (ETA) 2014.08.193 on the Department's web site at <http://dor.wa.gov>.

Washington Department of Revenue
Taxpayer Services Division
PO Box 47478
Olympia, WA 98504-7478

PRSRSTD
US Postage Paid
WA State Dept
of Printing 98501

**Important Information on
Vehicles and Parts Sales to Nonresidents
Enclosed**



Washington State Department of Revenue