BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of [redacted] Petitioner.	)	DOCKET NO. 0-737-793-024
	)	DECISION

[redacted] (Petitioner) protested the Notice of Taxpayer Initiated Refund Determination (Notice) issued by the staff of the Tax Discovery Bureau (Bureau) of the Idaho State Tax Commission (Tax Commission). The Notice denied Petitioner's claim for a sales tax refund for the audit period of May 2025, in total amount of $2,174.16. After administrative review, the Tax Commission hereby upholds the Notice for the reasons set forth below.

BACKGROUND

On May 24, 2025, Petitioner purchased a motor vehicle from a Honda dealership in [redacted] Idaho. At the time of purchase, Idaho sales tax was collected on the transaction.

On July 1, 2025, Petitioner filed a claim for refund requesting a refund of $2,174.16 in Idaho sales tax paid on the vehicle. Petitioner asserted that she was a resident of Montana (MT) at the time of purchase and that the vehicle qualified for Idaho's nonresident motor vehicle exemption. In support of her claim, Petitioner submitted documentation including copies of her driver's license, a pay stub, vehicle registration, certificate of title, receipts, bank statement, purchase documents, Form ST-104NR, an Affidavit of Ownership executed by Petitioner, and an Affidavit of Non-Ownership executed by her mother.

The Bureau reviewed the refund claim and supporting documentation. The Bureau determined that the purchase documents, certificate of title, and MT vehicle registration identified both Petitioner and her mother, [redacted] as owners of the vehicle. The Bureau further

determined that [redacted] was an Idaho resident at the time of purchase. Based on these findings, the Bureau concluded that the transaction did not qualify for the nonresident exemption and that the Idaho sales tax was properly collected.

On October 7, 2025, the Bureau issued a Notice denying Petitioner's sales tax refund claim.

Petitioner protested the Notice, asserting that she has lived and worked full-time in [redacted] MT for more than one year, and that she purchased the vehicle for her exclusive use. Petitioner stated that the vehicle was immediately transported to Montana after purchase, where it was registered, titled, insured, stored, and used. Petitioner further asserted that the vehicle was not used in Idaho for more than ninety (90) days during any twelve-month period.

Petitioner acknowledged that her mother was listed on the purchase documents, title, and registration. However, Petitioner asserted that her mother was included solely to assist with financing and estate-planning purposes and did not insure, possess, use or otherwise exercise ownership over the vehicle. Petitioner maintained that her mother was not a beneficial owner of the vehicle and that the transaction satisfied the requirements of the nonresident exemption.

The Bureau acknowledged Petitioner's protest and forwarded the case to the Tax Commission's Appeals Unit (Appeals) for administrative review. Appeals sent Petitioner a letter outlining the options for redetermining a protested Notice.

Petitioner requested an informal hearing, which was held on May 7, 2026. Following the informal hearing, Appeals sent two follow-up emails, to which Petitioner did not respond.

Therefore, the Tax Commission, having reviewed all available information, hereby issues its decision.

LAW & ANALYSIS

The issue is whether the vehicle purchase qualified for the nonresident motor vehicle exemption under Idaho Code section 63-3622R, and consequently, whether Petitioner is entitled to a refund of the Idaho sales tax paid on the vehicle.

Idaho Code section 63-3622R and Idaho Administrative Rule 107 address motor vehicles nonresident exemption requirements:

> There are exempted from the taxes imposed by this chapter:
> (a) Sales to nonresidents of motor vehicles…. for use outside of this state, even though delivery be made within this state, but only when:
> (1) The motor vehicles….will be taken from the point of delivery in this state directly to a point outside this state; and
> (2) The motor vehicles….will be registered immediately under the laws of another state, will be titled in another state if required to be titled in that state, will not be used in this state more than ninety (90) days in any twelve (12) month period, and will not be required to be titled under the laws of this state.
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> Idaho Administrative Rule 107.10 Sales to Nonresidents.
> a. Sales of motor vehicles, ... to nonresidents for use out of this state, even though delivery is made within this state are exempt from tax when:
> i. The motor vehicles, …. Will be taken from the point of delivery in this state directly to a point outside this state; and
> ii. The motor vehicles,....will be registered immediately under the laws of another state or country and will be titled in that state or country, if required to do so by that state or country and will not be used in Idaho more than ninety (90) days in any twelve-month period.
> b. To claim the exemption, each buyer provides the seller with a completed and signed Form ST- 104NR, Sales Tax Exemption Certificate -- Nonresident Vehicle/Vessel. The seller keeps a copy for their records and send a copy of the completed form to the Commission.

Under Idaho Code section 63-3622R and Idaho Administrative Rule 107.10, the sale of a motor vehicle is exempt from Idaho sales tax when the purchaser is a nonresident of Idaho, the vehicle is purchased for use outside Idaho, the vehicle is taken directly from Idaho to another state, the vehicle is promptly registered and titled in another state if required, and the vehicle is not used in Idaho for more than ninety (90) days during any twelve-month period.

Idaho Administrative Rule 107.10.g specifically provides:

g. To qualify for this exemption the buyer needs to be a nonresident of Idaho….

Additionally, Idaho Code section 63-3014 defines "nonresident" as follows:

> The term "nonresident" means any individual who is not a resident or part-year resident.

To qualify for the nonresident exemption, each buyer in the transaction must be a nonresident of Idaho. In this case, the purchase documents identify both Petitioner and her mother, [redacted] as purchasers and owners of the vehicle. The certificate of title and MT registration likewise identify both individuals as owners.

Petitioner argued that she is a Montana resident and the sole beneficial owner and user of the vehicle. She stated that her mother was included on the financing documents and title solely to obtain more favorable financing terms and to facilitate transfer of ownership in the event of Petitioner's death or incapacity. Petitioner further asserted that her mother does not drive, insure, store, or otherwise use the vehicle.

The Tax Commission does not dispute that Petitioner may have been the vehicle's primary user or that the vehicle was promptly removed from Idaho, registered in Montana, and principally used outside Idaho. However, satisfaction of those requirements alone does not establish entitlement to the exemption.

The controlling issue is that the transaction included an Idaho resident purchaser. At the time of purchase, [redacted] was an Idaho resident. She was listed as a purchaser and co-owner on the sales documents, certificate of title, and vehicle registration. By acquiring a legal ownership interest in the vehicle, she became a buyer for purposes of the transaction.

Neither Idaho Code section 63-3622R nor Idaho Administrative Rule 107 provides an exception based on the degree of use, beneficial ownership, financial contribution, or personal

benefit received by one purchaser as compared to another. Rather, the exemption depends upon satisfaction of the statutory requirements by the buyers participating in the transaction. Because an Idaho resident was a purchaser and co-owner of the vehicle, the requirement that the buyer be a nonresident was not satisfied.

The Tax Commission therefore finds that Petitioner's mother's status as an Idaho resident is overriding. Regardless of Petitioner's residency status, the transaction included an Idaho resident purchaser who acquired legal title and ownership rights in the vehicle. As a result, the sale did not qualify for the nonresident exemption provided by Idaho Code section 63-3622R.

Additionally, Form ST-104NR is intended to document a qualifying exempt transaction at the time of sale. Submission of the form after the purchase cannot create an exemption when the statutory requirements were not met at the time of the transaction. Because an Idaho resident purchaser was included in the transaction, the sale was not eligible for the exemption regardless of when Form ST-104NR was submitted.

Accordingly, the dealer properly collected Idaho sales tax at the time of sale, and Petitioner is not entitled to a refund.

CONCLUSION

The Tax Commission finds that the transaction did not qualify for the nonresident motor vehicle exemption provided by Idaho Code section 63-3622R because an Idaho resident was a purchaser and co-owner of the vehicle at the time of sale. Although the vehicle was subsequently registered and titled in Montana and was used primarily outside Idaho, the statutory requirements for the exemption were not satisfied. Therefore, Petitioner is not entitled to a refund of the Idaho sales tax paid on the purchase.

THEREFORE, the Notice of Taxpayer Initiated Refund Determination dated October 7, 2025, is hereby AFFIRMED and MADE FINAL.

The Notice denied Petitioner's refund claim, therefore no DEMAND for payment is made or necessary.

An explanation of Petitioner's right to appeal this decision is enclosed.

DATED this _____ day of _____ 2026.

IDAHO STATE TAX COMMISSION

CERTIFICATE OF SERVICE

I hereby certify that on this _____ day of _____ 2026, a copy of the within and foregoing DECISION was served by sending the same by United States mail, postage prepaid, in an envelope addressed to:

Receipt No.

[redacted]

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