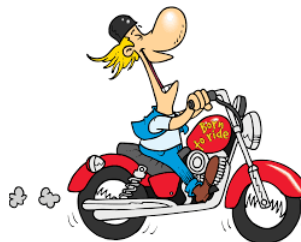


Sales and Use Tax Guide

for

Vehicle Transactions



This manual is for the use of the Idaho Department of Motor Vehicles only.

Updated 06/11/2025

Table of Contents

OVERVIEW	6
DEFINITIONS	8
Accessories	8
All-Terrain Vehicle (ATV)	8
Camping Trailer – Fold Down	8
Converted Van or Bus	8
Dual-purpose Motorcycle	9
Manufactured Home	9
Mobile Home	9
Modular Building	10
Motorcycle	10
Motor Home	10
Motor Vehicle	10
New Manufactured Home	10
New Park Model Recreational Vehicle	11
Vehicle Accessory Labor	11
Off-Highway Motorbike	12
Park Model Recreational Vehicle	12
Person	12
Recreational Vehicle (RV)	12
Resident	13
Retailer	13
Snowmobile	13
Specialty Off-highway Vehicle (SOHV)	13
Trailer	13
Travel Trailer or Fifth-Wheel Vehicles	14
Truck Camper	14
Utility-type Vehicle (UTV)	14
Vehicle	14
EXPLANATIONS	15
Assumed indebtedness	15
Barter or exchange	15
Trade-in allowance	15
Trade-in Allowance Leased Vehicle	15
Trade-in Allowance - Manufactured home, Modular building, Park model recreational vehicle	16
Trade-down	16
Buybacks	16
Buyback – Trade-In	16
Buyback – Salvage Value	16
Bill of Sale	17
No Bill of Sale	17
Low Bill of Sale	17
\$1 Bill of Sale	17
Dealer Fees	18
Dealer Fees – Dealer documentation fees (doc fees)	18
Dealer Fees – Government Imposed	18
Dealer Fees – Freight/Delivery	18

MOTOR VEHICLE GUIDE

Dealer Fees – Labor or Service Charge for Accessories on New Vehicles	19
Homemade Trailers.....	20
Built by Owner.....	20
Built for Owner.....	20
Insurance Charges or Finance Charges.....	20
Insurance Company Titling Stolen Vehicle.....	20
Insurance Settlement.....	20
Manufactured Home	21
Component Parts.....	21
Noncomponent Parts.....	21
Used Manufactured Home	21
Military Personnel.....	22
Temporary Assignment.....	22
Idaho Resident	22
Occasional Sales	23
Motor Vehicles	23
Recreational Vehicles	23
Office Trailers.....	23
Sale of an Office Trailer	23
Occasional Sale.....	23
Park Model Recreational Vehicles.....	24
Modified Park Model Recreational Vehicle	24
Rebates.....	24
Rescinded Sales	25
Documentation.....	25
Refunds	25
Recreational-related Vehicles	26
Recreational-Related Vehicles – Trade-ins	26
Nonresident – Truck Campers	26
Form ST-108.....	26
Occasional Sale – Qualifying trailers	26
Occasional Sale – Sales that don’t qualify.....	26
Bulk Sales – ST-133CATS – Recreational Vehicle.....	27
Production and Logging Exemption - Excluded.....	27
Repossessions	27
Repossession - Resold	27
Tax Paid to Another State	27
VEHICLE GUIDANCE	28
Purchased from Idaho Dealers	28
Purchased from Idaho Dealers – Prepare Form ITD 0502.....	28
Purchased from Idaho Dealers – Evidence of tax collected.....	28
Purchased from Idaho Dealers – Dealer tax errors	28
Purchased from Out-of-State Dealers	28
Purchased from Out-of-State Dealers – Partial tax owed	28
Purchased from Out-of-State Dealers – Credit for taxes paid.....	29
Purchased from Out-of-State Dealers – Taxable amount	29
Purchased from Out-of-State Dealers – Proof of purchase.....	29
Purchased from Out-of-State Dealers – Preparing title application.....	29
Purchased from Retailers or Pawnshops (Nondealers)	30
Purchased from Retailer – Required information	30

Purchased from Retailer – Trade-in	30
Purchased from Retailer – No sales tax collected.....	30
Purchased from Retailer – Auctioneers	30
Purchased from Private Parties (Nondealers / Nonretailers).....	31
Private Parties - No Bill of Sale	31
Private Parties - Trade-in allowance	31
Private Parties – Barter or Exchange	31
Private Parties – Barter for Services	31
Leases.....	32
Lease-purchase agreement	32
Lease with option to purchase agreement	32
Lessors-No Seller’s Permit – Temporary Registration	33
Titled by Dealers or Manufacturers	33
Titled by Dealers or Manufactures - Registered.....	33
Titled by Dealers or Manufactures – Vehicle use tax	33
Vehicle Modifications for Handicapped or Disabled.....	34
Newly Modified.....	34
Already Modified.....	34
EXEMPTIONS.....	35
Transfers without Consideration.....	35
Inheritances	35
Claims by heir.....	35
Transfer by court-appointed representative of estate.....	35
Divorce.....	35
Restitution.....	35
Gifts	36
Promotional Giveaways and Raffles.....	36
Promotional Giveaways – Out-of-state providers.....	37
Trusts	37
Trust – Removal of vehicle for consideration.....	37
Trust – Difficult circumstances.....	37
Statute of Limitations.....	37
Business Transfers or Sales	38
Corporations, Partnerships, S-Corporations, LLCs	38
Sole Proprietors – Idaho Businesses	38
Sole Proprietors – Out-of-State Businesses	38
Bulk Sales	39
Capital Asset Sale, Lease or Rental – Motor Vehicles and Transport Trailers Only.....	39
Capital Asset Transfer – Vehicles, Vessels, RVs, Snowmobiles, Aircraft.....	40
Production Exemption for Off-Road Vehicles.....	40
Licensed Off-Road Vehicles.....	40
Title on Unlicensed Vehicles – Property tax	40
Production Exemption – Excluded	41
Logging exemption – Log loading equipment.....	41
Exempt Entities.....	41
Questionable Exemption Claims.....	41
Interstate Commerce Carrier (ICC).....	42
Interstate Commerce Carrier – What qualifies	42
Motor Vehicles	42

Trailers.....	42
Interstate Commerce Carrier – Titled or base plated	42
Interstate Commerce Carrier – ST-104IC exemption form	42
Interstate Commerce Carrier – No longer qualifies	43
Interstate Commerce Carrier – Doesn’t qualify	43
Purchased with no intent to use in Idaho	43
Foreign Vehicle.....	43
Foreign Vehicle – Idaho Use Tax	43
New Resident Exemption	44
New Residents	45
Nonresident.....	46
Defined.....	46
Using a Vehicle in Idaho.....	46
Nonresident Military.....	46
Purchasing a Vehicle in Idaho	47
ST-104NR.....	47
Exclusions	47
Sales to Family Members.....	47
Sale to Family Member – ST-133.....	47
Sale to Family Member – Seller tax requirement	48
Sale to Family Member – Relation requirement.....	48
Sale to Family Member – ST-133 review.....	48
Sale to Family Member – Review of taxes paid.....	49
Sale to an American Indian.....	49
Sale to an American Indian – Delivery requirement.....	49
Sale to an American Indian – ST-133	49
Tax Paid to Another State	50
Tax Paid to Another State – Credit given	50
Tax Paid to Another State – Order credit given.....	50
ITD Tax Exemption List	52
Tax Reporting by County Assessors.....	53
County Assessor Tax Reporting – Form ST-852.....	53
County Assessor Tax Reporting – NSF checks	53
Appendix A.....	54
Appendix B.....	54
Appendix C.....	56
Dealer, lender, or retailer transactions	56
INDEX.....	57

OVERVIEW

- This guide addresses the taxability of vehicle transactions. It also provides title and registration processing guidelines to vehicle licensing personnel.
- The term “vehicle” in this guide refers to vehicles, trailers, ATVs, UTVs, SOHVs, aircraft, snowmobiles, etc. When a law, rule, or exemption applies to a specific type of vehicle, the type of vehicle will be described, such as “motor vehicle.”
- *Text formatted in italics is information, instructions, or procedures specifically written for Department of Motor Vehicles (DMV) personnel.*
- Remember: All motor vehicles are vehicles, but not all vehicles are motor vehicles.

In general, the sale, rental, lease, or transfer of any vehicle is a taxable transaction unless an exemption applies. Idaho has various tax exemptions that allow a vehicle to be titled, registered, or both without the owner paying tax.

Idaho law requires new owners to provide evidence of sales or use tax paid before a vehicle can be titled in the new owner’s name, unless an exemption applies.

[\[IC 63-3623\(l\)\]](#)

You will need to collect tax if the owner can’t provide evidence that sales or use tax has been properly paid or that an exemption applies.

If the owner believes they don’t owe tax, the owner can either:

- Pay the tax to you and apply for a refund from the Tax Commission using Form TCR.
- Request a written tax clearance from the Tax Commission before applying for title. Use Form MVM-3, Provisional Sales or Use Tax Clearance.

See [Appendix C](#) for additional refund procedures.

In this guide, we refer to the Idaho Code sections [IC 63-xxxx], Sales and Use Tax administrative rules [IDAPA 35.01.02.xxx], and ST-xxx forms that apply to vehicles. To get more information, you can:

- Click the hyperlinks in this guide.
- Go online to:
 - Find links to code, rule, forms and guidance at the Tax Commission’s ITD Hub (<https://tax.idaho.gov/taxes/sales-use/itd/>)
 - Look up code references on the Idaho Legislature website (<https://legislature.idaho.gov/statutesrules/idstat/>)
 - Look up rule references on the Department of Financial Management website (<https://adminrules.idaho.gov/rules/current/index.html>).

MOTOR VEHICLE GUIDE

If the tax issue is complicated or the taxpayer is uncooperative about paying the tax, you can direct your question or the taxpayer to the Tax Commission:

Tax Discovery Bureau	
Vehicle Line	(208) 332-6686
Fax Number	(208) 332-6619
Email Address	vehicles@tax.idaho.gov

City	Field Office Location
Boise	11321 W. Chinden Blvd.
Coeur d'Alene	1910 Northwest Blvd., Ste. 100
Idaho Falls	150 Shoup Ave., Ste. 16
Lewiston	1118 F St.
Pocatello	1111 N. 8 th Ave.
Twin Falls	440 Falls Ave.

Visit tax.idaho.gov, select **Contact Us**, and click **Office Hours & Locations** to view hours of operation for each location.

Laws change over time. We'll update the guide when necessary.

DEFINITIONS

These definitions originate from Idaho code or rules. The law reference is included with the definition to aid with research or guidance that you might require.

Accessories

An object, feature, or device that does not come standard with a motor vehicle to a motor vehicle dealer from a vehicle manufacturer or distributor but may be ordered by the retail customer as an addition to the motor vehicle to enhance the performance, effectiveness, or beauty of the motor vehicle.

Examples include, but aren't limited to, saddlebags for a motorcycle, truck bed coating, storage racks, chemical or film paint sealant, rustproofing, undercoating, stereo or sound systems, antitheft devices, alarm systems, wheel locks, window tinting, splash guards, or fabric protection for motor vehicles. "Accessories" doesn't mean a service or maintenance contract.

[[IC 63-3622OO](#)]

Note: The definition of “motor vehicle” for the purposes of accessory installation labor on a new vehicle is different than the definition the Tax Commission uses for the purposes of exemptions, sales, and transfers.

All-Terrain Vehicle (ATV)

Any recreational vehicle that has three or more tires, is 55 inches or less in width, has a wheelbase of 61 inches or less, and has handlebar steering and a seat designed for the operator to straddle.

[[IC 63-3622R\(a\)\(3\)](#)] & [[IC 67-7101\(1\)](#)]

Camping Trailer – Fold Down

A vehicular portable unit mounted on wheels and constructed with collapsible partial sidewalls that fold for another vehicle to tow it and unfold at the campsite to provide temporary living quarters for recreational, camping, or travel use.

[[IC 63-3622HH\(4\)\(e\)](#)]

Converted Van or Bus

A bus or van-type vehicle that has been converted to recreational use are considered recreational vehicles. Idaho Code section 63-3622HH(4) defines the different classes of motor vehicles for sales and use tax purposes.

[[IC 63-3622HH\(4\)](#)]

Dual-purpose Motorcycle

A dual-purpose motorcycle is designed for use off developed roadways and highways and is equipped to be operated legally on public roadways and highways.

[[IC 63-3622HH\(3\)](#)] & [[IDAPA 35.01.02.099.09.b](#)]

Manufactured Home

A structure constructed after June 15, 1976, according to the HUD manufactured home construction and safety standards and meets **all** these requirements:

- Transportable in one or more sections, which, in the traveling mode, is eight body feet or more in width or is 40 body feet or more in length, or when erected on site, is 320 or more square feet.
- Built on a permanent chassis.
- Designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities.
- Includes the plumbing, heating, air conditioning, and electrical systems contained therein, except that such term shall include any structure which meets all the requirements of this subsection except the size requirements and with respect to which the manufacturer voluntarily files a certification that the Secretary of HUD requires and complies with the standards established under 42 U.S. Code section 5401 et seq.

[[IC 39-4105\(8\)](#)]

See also: [New Manufactured Home](#)

Mobile Home

"Mobile home" means a factory-assembled structure, or structures generally constructed prior to June 15, 1976, that is **all** of these:

- Equipped with the necessary service connections
- Made to be readily movable as a unit or units on their own running gear
- Designed to be used as a dwelling unit or units with or without a permanent foundation

[[IC 39-4105\(9\)](#)]

Modular Building

A modular building is a substantially complete building designed to be affixed to real property. Modular buildings include all component parts incorporated into them at the time of manufacture that remain unchanged at the time of the original retail sale. Refrigerators, ranges, draperies, and wood burning stoves that the manufacturer puts in the modular building are incorporated component parts.

[[IC 39-4301\(10\)](#)] & [[IC 63-3605J](#)]

Motorcycle

Every motor vehicle having a seat or saddle for the use of the rider and designed to travel on not more than three wheels in contact with the ground. This definition excludes tractors. A motorcycle also is every motor scooter or motorized bicycle having an engine with less than 150 cubic centimeters displacement or with five-brake horsepower or less.

[[IC 63-3622HH\(5\)](#)]

Motor Home

A vehicular unit designed to provide temporary living quarters, built into an integral part of, or permanently attached to, a self-propelled motor vehicle chassis. The vehicle must contain permanently installed independent life-support systems that meet the American National Standards Institute (ANSI) A119.7 standard for recreational vehicles, and provide **at least four** of the following facilities:

- Cooking
- Refrigeration or ice box
- Self-contained toilet
- Heating, air conditioning, or both
- Portable water supply system, including a faucet and sink
- Separate 110-125-volt electrical power supply, liquid propane gas supply, or both

[[IC 63-3622HH\(4\)\(a\)](#)]

Motor Vehicle

A “motor vehicle” is a vehicle registered, or that Idaho requires to be registered, for use on public roads.

This **doesn’t** include vehicles that Idaho doesn’t require to be registered according to [IC 49-426](#) or that are intended for off-road use only including snowmobiles, boats, aircraft, all-terrain vehicles, and off-road motorcycles.

[[IC 63-3605L](#)]

New Manufactured Home

A “new manufactured home” is a manufactured home as defined in [IC 39-4105](#), which is sold for the first time at retail. It includes all components incorporated in the manufactured home at the time of manufacture that remain unchanged at the time of the original retail sale.

Refrigerators, ranges, draperies, and wood burning stoves that the manufacturer puts in the manufactured home are incorporated component parts.

Furniture, fixtures, furnishings, appliances, and attachments not incorporated as component parts of the manufactured home at the time of manufacture are subject to the sales and use tax separately from the sales price of a new manufactured home.

[[IC 63-3606](#)]

See also: [Manufactured Home](#)

New Park Model Recreational Vehicle

A “new park model recreational vehicle” (PMRV) is a recreational vehicle as defined in [IC 49-117\(2\)](#), which is sold for the first time at retail. It includes all components incorporated in the vehicle at the time of manufacture that remain unchanged at the time of the original retail sale. Refrigerators, ranges, draperies, and wood burning stoves that the manufacturer puts in the manufactured home are incorporated component parts.

[[IC 63-3606C](#)]

See also: [Park Model Recreational Vehicle](#)

Vehicle Accessory Labor

"Motor vehicle" as defined for “New-Vehicle Accessories" means a passenger car, moped, motorbike, motorcycle, motor-driven cycle, motorized wheelchair, electric personal assistive mobility device, neighborhood electric vehicle, specialty off-highway vehicle, all-terrain vehicle, utility type vehicle, all as defined in IC [chapter 1, title 49](#). It also includes a vessel, as defined in IC [063-3622R\(a\)\(4\)](#). And it includes any other motorized vehicle not described in this paragraph.

"Motor vehicle" doesn't mean aircraft as defined in IC [21-101](#), a bus, motor home, recreational vehicle, park model recreational vehicle, farm tractor or other self-propelled farm equipment, any type of trailer, special mobile equipment, commercial vehicle or truck exceeding 8,000 pounds, or authorized emergency vehicle, all as defined in IC [chapter 1, title 49](#).

[[IC 63-3622OO](#)]

Off-Highway Motorbike

An “off-highway motorbike” is any self-propelled two-, three-, four-, or five-wheeled motorcycle or motor-driven cycle designed for, or capable of, traveling off developed roadways and highways. These vehicles are also called trailbikes, enduro bikes, motocross bikes, dual-purpose motorcycles, or ATVs. These vehicles exclude tractors.

[[IC 63-3622HH\(3\)](#)]

Park Model Recreational Vehicle

A “park model recreational vehicle” is a recreational vehicle designed to provide temporary accommodations for recreational, camping, or seasonal use and that meets **all** the following:

- It’s built on a single chassis.
- It was originally mounted on wheels.
- It has a gross trailer area not exceeding 400 square feet in the setup mode.
- It’s certified by its manufacturer as complying with the American National Standards institute (ANSI) A119.5 Standard for Recreational Park Trailers and includes park models, park trailers and recreational park trailers.

[[IC 49-117\(2\)](#)] & [[IC 63-3622HH\(4\)\(d\)](#)]

Person

A “person” includes any individual, firm, copartnership, joint venture, association, social club, fraternal organization, corporation, estate, trust, business trust, receiver, trustee, syndicate, cooperative, assignee, or any other group or combination acting as a unit.

[[IC 63-3607](#)]

Recreational Vehicle (RV)

The term "recreational vehicle" means a motor home, travel trailer, park model recreational vehicle, truck camper or camping trailer, with or without motive power, designed for human habitation for recreational or emergency occupancy. The term "recreational vehicle" does not include pickup hoods, shells, or canopies designed, created, or modified for occupational usage. School buses or van-type vehicles which are converted to recreational use are defined as recreational vehicles.

[[IC 63-3622HH\(4\)](#)]

Resident

For the purpose of vehicle registration and titling, a person whose domicile has been within Idaho continuously for a period of at least 90 days. This excludes full-time students who are residents of another state. A person, including a full-time student who has established a domicile in Idaho, can declare residency earlier than 90 days for the purposes of vehicle registration and titling. Establishment of residency shall include a spouse and dependent children who reside with that person in the domicile. A domicile can't be a person's workplace, vacation home, or part-time residence.

[\[IC 49-119\(12\)\]](#)

Retailer

A “retailer” is every person who meets **one** or more of these definitions:

- Makes more than two retail sales of tangible personal property during any 12-month period, including sales made as an assignee for the benefit of creditors, or a receiver or trustee in bankruptcy
- Makes fewer sales but who holds himself out as engaging in the business of selling such tangible personal property at retail
- Who sells a motor vehicle

[\[IC 63-3610\(c\)\]](#)

Snowmobile

The term "snowmobile" means any self-propelled vehicle under 1,000 pounds unladen gross weight designed primarily for travel on snow or ice or over natural terrain which can be steered by tracks, skis or runners, and which is not otherwise registered or licensed under the laws of the State of Idaho.

[\[IC 63-3622HH\(2\)\]](#)

Specialty Off-highway Vehicle (SOHV)

Any vehicle manufactured, designed, or constructed exclusively for off-highway operation that doesn't fit the definition of an all-terrain vehicle, utility-type vehicle, or motorbike as defined in Idaho Statute listed below.

[IC 67-7101\(9\)](#) & [IC 67-7101\(16\)](#).

Trailer

Every vehicle without motive power designed to carry property or passengers wholly on its own structure and drawn by a motor vehicle.

[\[IC 49-121\(6\)\(a\)\]](#)

Travel Trailer or Fifth-Wheel Vehicles

A vehicular unit, mounted on wheels, designed to provide temporary living quarters for recreational, camping, or travel use and of such size or weight that it doesn't need special highway movement permits when a motorized vehicle pulls it.

[[IC 49-121\(6\)\(b\) & \(6\)\(f\)](#)] & [[IC 63-3622HH\(4\)\(b\) & \(c\)](#)]

Truck Camper

A portable unit constructed to provide temporary living quarters for recreational, travel, or camping use that consists of a roof, floor, and sides. It also must be designed to be loaded onto, and unloaded from, the bed of a pickup truck.

[[IC 49-121\(10\)\(d\)](#)] & [[IC 63-3622HH\(4\)\(f\)](#)]

Utility-type Vehicle (UTV)

For the purposes of sales and use taxes, a "utility-type vehicle" (UTV) is any recreational motor vehicle other than an ATV, motorbike, or snowmobile as defined in Idaho Statute listed below that:

- Designed for and capable of traveling over designated roads
- Travels on four or more tires
- Has a minimum width of 50 inches and weight of 900 pounds
- Has a maximum width less than 80 inches

A UTV also means a recreational off-highway vehicle (ROV).

A UTV doesn't include golf carts, vehicles specially designed to carry a disabled person, implements of husbandry as defined in [IC 49-110\(2\)](#), or vehicles otherwise registered under IC [Title 49](#).

[[IC 67-7101\(17\)](#)]

Vehicle

A "vehicle" is every device in, upon, or by which any person or property is or can be transported or drawn upon a highway. This excludes devices used exclusively on stationary rails or tracks.

[[IC 49-123\(2\)](#)]

EXPLANATIONS

Assumed indebtedness

An assumed indebtedness might be included in the taxable sales price. When the title shows a lien holder, ensure that the bill of sale includes the amount of the assumed lien if the person assuming the debt didn't already owe for that debt. *Please contact the Motor Vehicle Hot Line if you have any questions.*

[[IC 63-3613](#)]

Barter or exchange

A barter or exchange of vehicles or other property is taxed on the value of the vehicles or other property involved in the exchange. In the absence of documentation supporting the value of the vehicles, tax is due on the value established as the "average trade-in price" in the most recent NADA Official Used Car Guide for the same make, model, options, year, mileage, and condition.

[[IDAPA 35.01.02.106\(4\)\(d\)](#)]

Example: Bill and Fred exchange vehicles each valued at \$5,000. Neither Bill nor Fred is a dealer or retailer. No money, property, or other service changes hands. Bill and Fred each owes tax on \$5,000, which is the value of the vehicle each received.

Trade-in allowance

A dealer or retailer can accept merchandise (tangible personal property) as full or partial payment on a vehicle being sold. The merchandise taken in trade must become part of the dealer's or retailer's resale inventory. The amount allowed on the traded-in merchandise reduces the taxable sales price. For a trade-in to qualify, it must meet **all** of the following criteria:

- The property is consideration the buyer delivered to the seller.
- The sales documents, executed not later than the time of sale, must identify both the property the buyer is purchasing and the property the buyer is trading in.
- The delivery of the trade-in and the purchase are components of a single transaction.

Taxes paid on the traded-in tangible personal property doesn't affect the trade-in allowance.

Example: A customer buys a car from a dealer for \$4,000. The dealer allows a trade-in of \$1,500 for the customer's used car. The dealer charges tax on \$2,500.

* Trade-ins aren't allowed for private-party sales.

[[IDAPA 35.01.02.044](#)]

Trade-in Allowance Leased Vehicle

A dealer or retailer can reduce the taxable sales price by the trade-in value of a leased vehicle on a new purchase or lease only if the trade-in value of the leased vehicle is greater than the residual value of the leased vehicle.

Trade-in Allowance - Manufactured home, Modular building, Park model recreational vehicle

A trade-in allowance can't be used to reduce the taxable sales price of a new manufactured home, modular building, or park model recreational vehicle.

[\[IC 63-3613\(b\)\(2\)\]](#)

Trade-down

A trade-down occurs when a person exchanges property for less expensive property and receives consideration for the difference in value. Buyers don't owe tax on the sales price of a vehicle when they use a trade-down to purchase the vehicle from a dealer or retailer. The customer can't get a credit of tax for any unused trade-down balance.

Example: Sarah owns two cars and wants to trade in both toward the purchase of a new car. Honest Lee's dealership gives a trade-in allowance of \$10,000 for the first car and \$7,000 for the second car, for a total trade-in allowance of \$17,000. The purchase price of the new car is \$14,000. Honest Lee's can accept both cars as a trade-in allowance because it's in the business of reselling vehicles. This transaction is a trade-down. Honest Lee will give Sarah an allowance equal to the price of the new car and pay Sarah \$3,000 for the difference. Honest Lee shouldn't collect or refund sales tax on this transaction.

Buybacks

Buyback – Trade-In

If someone uses a vehicle as a trade-in and then later buys that same vehicle back, that person owes tax on the buyback price. Two separate transactions occurred, and the dealer or retailer should calculate and collect tax accordingly. On the original sale, the dealer or retailer deducted the value of the trade-in from the taxable selling price. A second sale occurred when the person bought back the traded-in vehicle, so the buyer owes tax on its taxable sales price.

Buyback – Salvage Value

An insurance company can declare a vehicle to be a total loss and provide an insurance settlement to the policyholder. If the policyholder buys back the vehicle from the insurance company, the policyholder owes tax on the amount it paid to buy the vehicle back.

Example: Jaime is involved in a car wreck. The insurance company declares the vehicle a total loss and settles with Jaime for \$10,000. Jaime makes a deal with the insurance company to buy back the vehicle for its salvage value of \$1,500. Jaime later repairs the vehicle to make it roadworthy. Jaime owes tax on \$1,500.

Bill of Sale

The buyer must provide a bill of sale or receipt as proof of the gross sales price. In place of a bill of sale, the seller can use the Selling Price field on the front of the title, and the seller must sign it. You can't accept canceled checks in lieu of a bill of sale.

Scan the bill of sale or other receipt with the title application. Tell the buyer that the ITD keeps the bill of sale.

No Bill of Sale

In the absence of a bill of sale or documentation supporting the value of the vehicle, collect tax on the value established as the “average trade-in price” in the most recent NADA Official Used Car Guide for the same make, model, options, year, mileage, and condition.

If the buyer is adamant that they paid less than NADA average trade-in for the vehicle, have the buyer provide an Indemnifying Affidavit asserting the purchase price for the vehicle. The statement should read, “I swear that I purchased this vehicle for the stated price of \$\$. I understand that the Idaho State Tax Commission might review this transaction.” You can accept a similar statement that's signed and dated, but it must be a sworn statement from the buyer. Treat the stated price on a sworn statement the same way as if it appeared on the title or bill of sale. If the stated price appears to be low, see Low Bill of Sale, below.

Low Bill of Sale

In general, expected value of a vehicle is the value established as the “average trade-in price” in the most recent NADA Official Used Car Guide for the same make, model, options, year, mileage, and condition. You can check the NADA average trade-in price at <https://www.nadaguides.com>. *If the purchase price doesn't seem to reflect the published value of the vehicle purchased, allow the buyer to register the vehicle and flag the transaction for review. Send the flagged transaction to the Tax Commission for review.*

\$1 Bill of Sale

When you receive \$1 bills of sale, treat it as a Low Bill of Sale. If the vehicle was a gift, the recipient should use Form ST-133GT, *Use Tax Exemption Certificate – Gift Transfer Affidavit*.

Dealer Fees

In general, documentation fees, processing fees, dealer prep fees, freight charges from manufacturer to dealer, etc. charged in conjunction with the sale of a vehicle are “services” the dealer agrees to provide as part of the sale. The amount charged for these services is included in the taxable sales price of the vehicle.

The amount the dealer charges for labor or services to deliver the property sold to the end user aren’t taxable if the dealer separately states those amounts.

[[IC 63-3613](#)]

Please notify the Tax Commission if you recognize that a dealer consistently fails to collect tax on documentation or other taxable fees.

Find examples in the following sections of this document:

- [Vehicles & Vessels: Taxable Sales Price](#)
- [Motor Vehicles – Dealers](#)

Dealer Fees – Dealer documentation fees (doc fees)

Documentation fees are services the dealer agrees to provide as part of the sale. These services are included in the taxable sales price of the vehicle.

[[IC 63-3613](#)]

Dealer Fees – Government Imposed

Separately stated registration and title fees aren’t taxable if they don’t exceed the amount the government entity sets.

[[IC 63-3622AA](#)]

Dealer Fees – Freight/Delivery

Charges for delivery of the vehicle **to the dealer** prior to the sale are taxable.

[[IC 63-3613\(a\)3](#)]

Separately stated delivery or freight charges for delivery to the buyer aren’t taxable unless it’s for a manufactured home, modular building, or park model recreational vehicle.

[[IC 63-3613\(b\)7](#)]

Dealer Fees – Labor or Service Charge for Accessories on New Vehicles

A dealer of a “motor vehicle” shouldn’t collect tax for labor or service charges to add an accessory to a new, factory-delivered “motor vehicle” sold as part of a new vehicle sale. The dealer must separately state the charges or they’re taxable. For this exemption, an eligible “motor vehicle” is defined in the referenced Idaho Statute below. See the chart below for eligible motor vehicles and noneligible vehicles and vessels.

[\[IC 63-362200\]](#)

Eligible “motor vehicle”	Noneligible vehicles and vessels
All-terrain vehicle	Aircraft
Electric personal assistive mobility device	Any type of trailer
Moped	Authorized emergency vehicle
Motorbike	Bus
Motorcycle	Commercial vehicle or truck exceeding eight thousand (8,000) pounds
Motor-driven cycle	Farm tractor or another self-propelled farm equipment
Motorized wheelchair	Motor home
Neighborhood electric vehicle	Park model recreational vehicle
Passenger car	Recreational vehicle
Specialty off-highway vehicle	Special mobile equipment
Utility type vehicle	
Vessel	

Homemade Trailers

Built by Owner

Idaho taxes homemade trailers on the cost of materials used when the owner built it. If the owner paid tax on those materials and completes Form ST-108, the owner doesn't owe any additional tax.

Built for Owner

Trailers that anyone except the owner built aren't "homemade." All charges for labor, materials, and other taxable fees must be included in the taxable sales price of the trailer.

[[IC 63-3612\(2\)\(a\)](#)] & [[IC 63-3613](#)]

Insurance Charges or Finance Charges

The taxable sales price doesn't include insurance coverage on the property sold or any financing charge if these costs are separately stated.

[[IC 63-3613](#)]

Insurance Company Titling Stolen Vehicle

No one owes sales tax when an insurance company requests to transfer the title of a stolen vehicle into its name after it compensates the insured owner for the vehicle.

Insurance Settlement

Insurance proceeds used to buy a replacement vehicle don't reduce the taxable sales price if this is an insurance buyback.

Example: Maria is in a car wreck. The insurance company declares the vehicle a total loss and settles with Maria on that basis. Maria uses the insurance proceeds as partial payment on a replacement vehicle. The proceeds are treated the same as cash down and don't reduce the taxable sales price of the replacement vehicle.

Manufactured Home

A new manufactured home sold at retail for the first time is taxable on 55% of the sales price. The sales price must include all component parts, setup, and transportation fees that the dealer charges.

Idaho doesn't allow trade-ins to reduce the taxable sales price of new manufactured homes.

[\[IC 63-3613\]](#)

Component Parts

Component parts are items the manufacturer incorporates and that remain unchanged at the time of the original sale. They include items such as cabinetry, carpeting, central heating and cooling, closet doors, garbage disposals, sinks, water heaters, etc.

Draperies, ranges, refrigerators, and wood burning stoves that the manufacturer places in the manufactured home are component parts.

[\[IDAPA 35.01.02.048.05\]](#)

Noncomponent Parts

Noncomponent parts are fixtures, furniture, furnishings, appliances, and attachments not incorporated as a component part of a new manufactured home. The dealer must tax these items separately from the sales price of the manufactured home. Tax applies on the full retail value of the items that are separately stated on the sales invoice.

[\[IC 63-3606\]](#)

Used Manufactured Home

The sale of a used manufactured home isn't taxable.

[\[IDAPA 35.01.02.048\]](#)

Military Personnel

Nonresident military personnel who purchase a vehicle for use in Idaho must pay Idaho sales tax unless they're immediately removing the vehicle from this state for use outside this state.

[\[IDAPA 35.01.02.107\]](#)

Temporary Assignment

Active-duty military personnel temporarily assigned to Idaho and their accompanying spouses don't have to pay use tax on vehicles they bring to Idaho if **either** of these are true:

- They owned the property before receiving orders to transfer to Idaho.
- They bought the property at least 90 days before moving to Idaho.

Attach the completed Form ST-102NM, Use Tax Exemption Certificate Nonresident Military, to the title application.

[\[IDAPA 35.01.02.107\]](#)

Example: A service member, who's a resident of Texas and on active duty in a foreign country, is reassigned to Mountain Home Air Force Base for two years. A month after receiving his new orders, he buys a vehicle and registers it in the country where he's stationed. He owes tax on the fair-market value of the vehicle when he brings it to Idaho.

Note: The service member in the example above doesn't owe tax if he'll be stationed in Mountain Home for less than 90 days.

Idaho Resident

A military person whose home of record is Idaho is a resident of this state.

[\[IDAPA 35.01.02.107\]](#)

Note: If someone properly paid taxes on the vehicle at the time of purchase, Idaho gives credit for those taxes. No one owes tax if the taxes paid are equal to or greater than Idaho's rate. Taxes paid to a foreign country don't qualify.

Occasional Sales

Motor Vehicles

The “occasional sale” of a motor vehicle only means a sale between members of a family related within the second degree of consanguinity. For this to apply, the seller must have paid sales tax on the motor vehicle. Sales of motor vehicles that fall within transactions detailed in Idaho Statute listed below.

[[IC 63-3622K\(b\)\(2\) – \(b\)\(5\)](#)]

Recreational Vehicles

Idaho law excludes recreational vehicles as defined in [IC 63-3622HH](#) from the occasional sale exemption. This includes motor homes, travel trailers, park model recreational vehicles, truck campers or camping trailers. Truck campers or camping trailers might or might not have motive power, and they are designed for human habitation for recreational or emergency occupancy.

Office Trailers

An office trailer is a structure built on a permanent chassis, transportable in one or more sections, and designed for use as an office. An office trailer doesn’t qualify as a manufactured home because it’s not designed for use as a dwelling. It also doesn’t qualify as a modular building because it’s not designed to be affixed to real property.

[[IDAPA 35.01.02.048](#)]

Sale of an Office Trailer

An office trailer, whether new or used, is taxable on 100% of the purchase price. The purchase price includes all furniture, fixtures, and appliances. Idaho allows trade-ins if the seller will hold the traded-in merchandise for resale.

[[IDAPA 35.01.02.048](#)]

Occasional Sale

A buyer can claim an occasional sale exemption on a used office trailer if bought from an individual or nonretailer. The seller must establish this exemption. The seller must complete [Form ST-108TR](#), *Occasional Sale Exemption Claim*, making his claim as an occasional seller. If a third party arranges the sale, this exemption doesn’t apply.

Park Model Recreational Vehicles

The sale of a new or used park model recreational vehicle (PMRV) is taxable on 100% of the sales price. The sales price of a new PMRV includes all component parts and noncomponent parts. Setup and transportation fees a dealer charges must be included in the taxable sales price. Idaho doesn't allow trade-ins to reduce the taxable sales price.

[[IC 63-3613](#)] & [[IC 63-3606C](#)]

Modified Park Model Recreational Vehicle

A used PMRV that the owner says has been substantially modified in such a way that it no longer meets the definition of a PMRV might not owe sales or use tax on the purchase. The buyer must complete Form ST-108PM, *Park Model Recreational Vehicle Modification Affidavit*. On that form, the buyer must describe the changes that have been made to the PMRV.

Send the form to the Tax Commission to review.

[[IC 63-3606C](#)]

Rebates

A manufacturer's rebate on the purchase of a *motor vehicle* can reduce the taxable sales price *if the rebate is used as a reduction to, or down payment on, the motor vehicle*. The seller must separately state the manufacturer's rebate on the sales invoice as a deduction to, or down payment toward, the sales price.

[[IDAPA 35.01.02.051.02.d](#)]

Example: Sarah wants to buy a new motor vehicle that costs \$19,000. She negotiates with the dealer to apply the manufacturer's rebate of \$1,500 as the down payment. The dealer collects tax on the difference (\$19,000 – \$1,500 = \$17,500).

Example: Tony wants to buy a new motor vehicle that costs \$32,000. He negotiates with the dealer to receive the manufacturer's rebate of \$1,500 in cash and use only his trade-in, valued at \$12,000, for the down payment. The dealer must collect tax on \$20,000 (\$32,000 – \$12,000). The manufacturer's rebate is taxable because Tony didn't use it to reduce the sales price of the motor vehicle.

Manufacturer's rebates offered on trailers, off-highway vehicles and other property **don't** reduce the taxable sales price.

Rescinded Sales

A “rescinded sale” is a transaction in which the seller and buyer place each other in the same positions they were in before entering into any taxable sales transaction.

[\[IDAPA 35.01.02.045\]](#)

Documentation

In a rescinded sale, each party must give you appropriate documentation showing that a rescinded sale happened. Both parties can claim a tax exemption when retitling their vehicle into their names. *If you’re in doubt, you can require the parties to get written clearance from the Tax Commission. Use Form MVM-3, Provisional Sales or Use Tax Clearance.*

Example: Louise sells her car to her neighbor Joan for \$1,000. Joan pays tax and registration fees to the DMV. A week later, Joan returns the car to Louise and gets the \$1,000 back. Joan can apply to the Tax Commission for a refund of the sales tax. Louise can take the title and document stating the sale was rescinded back to the DMV and retitle and reregister the car back into her name without paying tax.

Example: John trades his car to his neighbor Jill for her car. Both cars were titled and registered to their new owners. The DMV collected Idaho sales tax on both cars. Joan notices the car she received had mechanical issues and asks John if they can trade vehicles back. John agrees, and the cars are titled and registered back to their original owners. Both John and Joan can apply to the Tax Commission for a refund of the sales tax paid on the original trade. Both John and Joan can take the appropriate documents back to the DMV and retitle and reregister their cars back into their names without paying tax.

[\[IDAPA 35.01.02.045\]](#)

Refunds

When a sale is rescinded, each party can apply in writing to the Tax Commission for a refund of the tax paid when titling the vehicle using Form TCR. Each party must provide satisfactory evidence to the Tax Commission showing the sale was rescinded and that they paid Idaho tax.

See [Appendix C](#) for additional refund procedures.

Recreational-related Vehicles

In general, buyers must pay Idaho sales or use tax on the purchase of recreational-related vehicles unless an exemption applies. Buyers must provide evidence of the tax paid or exemption claimed when they apply for a title, transfer of title, or recreational vehicle sticker.

See [ICS 63-3622HH](#) for the definition of “Recreational-Related Vehicles” for sales and use tax purposes.

Recreational-Related Vehicles – Trade-ins

See [Trade-in Allowance](#) for trade-in exclusions.

[[IDAPA 35.01.02.044.04\(b\)](#)]

Nonresident – Truck Campers

Nonresidents can’t use Form ST-104NR to claim the out-of-state use exemption on truck campers. If a buyer takes delivery of the truck camper in Idaho, the buyer owes Idaho tax.

[[IDAPA 35.01.02.107](#)]

Form ST-108

Forward ST-108 forms to the Tax Commission for review. These are the uses for Form ST-108:

- An owner must complete Form ST-108 when registering a transport trailer or office trailer that doesn’t require titling.
- Owners who built a homemade trailer for themselves must complete a Form ST-108 to certify they paid sales or use tax on all the materials used to make the trailer.
- Financial institutions collecting tax on untitled transport trailers and office trailers should complete section 2 of Form ST-108 and provide a copy of the form to buyers. Buyers should use the copy as a receipt of tax paid when they register the vehicle.

Occasional Sale – Qualifying trailers

Only a transport-type trailer (trailer not designed for human habitation) or office trailer can qualify for the occasional sale exemption. Buyers can claim an occasional sale exemption if they buy the item from an individual or nonretailer. The seller must establish this exemption by completing Form ST-108TR, *Occasional Sale Exemption Claim*, and providing the form to the buyer.

Occasional Sale – Sales that don’t qualify

The occasional sale exemption doesn’t apply to the sale, rental, or lease of aircraft, ATVs, boats, camper units, off-road motorcycles, dual-purpose motorcycles, and snowmobiles. Camper trailers, fifth-wheel travel-type trailers, and park model recreational vehicles (PMRVs) are taxable on the full purchase price. You can find the full list of vehicles excluded from the exemption in IDAPA 35.01.02.099.09

[[IDAPA 35.01.02.099.09](#)]

Bulk Sales – ST-133CATS – Recreational Vehicle

A recreational-related vehicle can qualify for an exemption from tax as part of the bulk sale of a business. The new owner must complete [Form ST-133CATS](#), *Sales Tax Exemption Certificate – Capital Asset Transfer Affidavit*, Part I, and give it to you when titling the vehicle.

Production and Logging Exemption - Excluded

Buyers can't use the production exemption or logging exemption to purchase recreational-related vehicles. Buyers can claim the production exemption for an unregistered boat, UTV, or SOHV that only has a title and is used directly in a manufacturing process.

[[IC 63-3622HH](#)]

Repossessions

Original owners can title a vehicle back into their name without owing tax if they give you satisfactory proof that they repossessed the vehicle and will resell it. Acceptable proof can include copies of correspondence from the lien holder, finance contracts, an Affidavit of Repossession (ITD Form 3336), or similar documents. *If the information is questionable, refer the applicant to the Tax Commission.*

Original owners owe tax if they register (plate) the repossessed vehicle in their name.

Repossession - Resold

If a vehicle is repossessed and then resold, calculate and collect sales tax on the sales price in the same manner as on any other sale.

[[IDAPA 35.01.02.063.03\(d\)](#)]

Tax Paid to Another State

If someone properly paid a general sales tax to another state, Idaho allows credit toward the Idaho tax due. Idaho doesn't give credit for taxes paid to another country.

- If the tax paid to another state is less than the Idaho sales tax rate, the owner owes the difference, unless another exemption applies.
- If the tax paid to another state is equal to or greater than the Idaho sales tax rate, the owner doesn't owe Idaho tax.

If an out-of-state transaction is in question and the customer resists paying Idaho tax, give credit for taxes paid, and flag the transaction.

[[IC 63-3621\(J\)](#)] & [[IDAPA 35.01.02.072.07](#)]

VEHICLE GUIDANCE

Purchased from Idaho Dealers

When an Idaho motor vehicle dealer sells a vehicle for delivery in Idaho, the dealer must collect Idaho sales tax at the rate in effect on the date the dealer delivers the vehicle to the buyer.

[[IC 63-3619](#)] & [[IDAPA 35.01.02.106.02](#)]

Purchased from Idaho Dealers – Prepare Form ITD 0502

The dealer must prepare a Report of Sale and Application for Certificate of Title (ITD Form 0502). The dealer should use the instructions the ITD provides to complete the form.

Purchased from Idaho Dealers – Evidence of tax collected

Buyers should give you a copy of the Form 0502 as evidence that they paid sales tax to the dealer. Buyers must have proof of sales tax payment to register or title a vehicle unless an exemption applies.

[[IC 63-3623\(1\) & \(m\)](#)]

Purchased from Idaho Dealers – Dealer tax errors

If an Idaho dealer collected too little tax, collect the difference from buyers at registration. If it looks like the Idaho dealer collected too much tax, let buyers register the vehicle. Then, tell them they can contact the Tax Commission about how to obtain a refund for the amount they overpaid.

[[ICS 63-3626](#)]

Purchased from Out-of-State Dealers

Idaho grants reciprocity for a general sales tax paid to another state when the buyer provides evidence of payment. You can give credit for sales tax buyers pay in another state when **all** of these are true:

- The buyer purchases and takes possession of a vehicle from an out-of-state dealer.
- They pay that state's sales tax to the dealer.
- They bring the vehicle to Idaho to be titled, registered, or both.

Idaho doesn't give credit for taxes paid to another country. However, the 90-day [New Resident](#) exemption applies if the owner was a citizen of another country.

[[IC 63-3621](#)]

Purchased from Out-of-State Dealers – Partial tax owed

If the sales tax paid to another state is less than the Idaho sales tax rate, then buyers owe tax on the difference. Collect that amount unless some other exemption applies (e.g. New Resident Exemption).

Purchased from Out-of-State Dealers – Credit for taxes paid

Exercise caution when the sales agreement shows the seller collected tax on an out-of-state dealer purchase because it doesn't mean the seller collected tax for *that* state. The seller puts the tax on the sales agreement so it can be included in the buyer's loan, but the buyer didn't pay tax to anyone. Sometimes the out-of-state dealer will give a check in the amount of tax to buyers and tell them to pay the tax when they register the vehicle.

Acceptable documentation to show that the dealer forwarded tax to the Idaho State Tax Commission includes **any** of these:

- The dealer's Idaho seller's permit number
- A copy of the canceled check the dealer wrote to the Idaho State Tax Commission
- A written statement from the out-of-state dealer stating it collected Idaho tax and forwarded it to the Idaho State Tax Commission

Purchased from Out-of-State Dealers – Taxable amount

The taxable amount must include any document fees or other services the seller agrees to do as part of the sale, excluding those exempted by IC 63-3613(b).

The taxable amount should exclude any acceptable trade-in allowance and rebate applied to the purchase price. For these items to be nontaxable, the out-of-state dealer must separately state and describe them on the bill of sale or other receipt.

[\[IC 63-3613\]](#)

Purchased from Out-of-State Dealers – Proof of purchase

The buyer must provide the original bill of sale, voucher, or other receipt from the out-of-state dealer.

[\[IDAPA 35.01.02.106.04\]](#)

Purchased from Out-of-State Dealers – Preparing title application

Prepare the title application according to ITD instructions. A copy of the bill of sale or other receipt must accompany the white copy of the title application sent to the ITD.

Purchased from Retailers or Pawnshops (Nondealers)

A retailer required to have an Idaho seller's permit must collect sales tax when selling a vehicle (unless an exemption applies), even though they're not a vehicle dealer.

[[IC 63-3619](#)] & [[IDAPA 35.01.02.106.05](#)]

Purchased from Retailer – Required information

The retailer must give the buyer a bill of sale showing the sales price, the separate statement of the tax paid, and its seller's permit number. The retailer must forward the tax it collects to the state. The retailer should give the buyer the title to the motor vehicle.

Accept the bill of sale showing the separately stated sales tax as evidence that the new owner paid tax.

[[IDAPA 35.01.02.106.05.a](#)]

Example: An Idaho grocery store sells a delivery van to an employee who's an Idaho resident. The store must charge the employee sales tax on the sale of the van because the store holds a seller's permit.

Example: The same Idaho grocery store sells another delivery van to an employee who's a Washington resident. The grocery store doesn't have to collect sales tax if it completes a Form ST-104NR and keeps it on file. The employee will title, register, and pay the tax in Washington.

Purchased from Retailer – Trade-in

Retailers who aren't dealers must follow the same laws as dealers when accepting trade-ins on the purchase of motor vehicles.

[[IDAPA 35.01.02.044](#)]

Purchased from Retailer – No sales tax collected

If the retailer didn't charge the buyer the correct amount of tax, collect the tax due from the buyer when you process the *Application for Certificate of Title* transfer.

Attach the bill of sale to the white copy of the title application sent to the ITD.

Purchased from Retailer – Auctioneers

Auctioneers performing their services in Idaho are retailers required to hold an Idaho seller's permit. As an Idaho retailer, they must collect the sales tax when selling a vehicle, vessel, or other tangible personal property.

[[IDAPA 35.01.02.020](#)]

Purchased from Private Parties (Nondealers / Nonretailers)

Buyers who purchase vehicles from private parties owe use tax when they apply for title unless an exemption applies. The buyer must present a bill of sale or receipt as proof of the gross sales price.

You can't accept a cancelled check in lieu of a bill of sale. Attach the bill of sale to the white copy of the title application sent to the ITD.

Private Parties - No Bill of Sale

In the absence of a bill of sale or documentation supporting the value of the vehicle, collect tax on the value established as the “average trade-in price” in the most recent NADA Official Used Car Guide for the same make, model, options, year, mileage, and condition.

If the buyer is adamant that they only paid the amount stated, have the buyer provide a written indemnifying affidavit statement asserting the purchase price. The statement should read, “I swear that I purchased this vehicle for the stated price of \$\$. I understand the Idaho State Tax Commission might review this transaction.” You can accept a similar statement that’s signed and dated, but it must be a sworn statement from the buyer. Treat the stated price the same way as if it appeared on the title or bill of sale. Treat the same as a [Low bill of sale](#).

Private Parties - Trade-in allowance

Trade-in allowances are **not** allowed on private party sales.

[\[IDAPA 35.01.02.044.03\]](#)

Private Parties – Barter or Exchange

A barter or exchange of vehicles or other property is taxed on the value of the vehicles or other property involved in the exchange. Each participant in a barter or exchange owes tax on the value of the vehicle or other property he or she received. In the absence of documentation supporting the value of the vehicles, tax is due on the value established as the “average trade-in price” in the most recent NADA Official Used Car Guide for the same make, model, options, year, mileage, and condition.

[\[IDAPA 35.01.02.106\]](#)

Private Parties – Barter for Services

Barter of a vehicle for services, other tangible property, or real property are taxable at the value of the services or other property.

If the buyer doesn't have a receipt or bill of sale, collect sales tax on the NADA average trade-in price.

Leases

A lease-purchase and a lease with option to purchase have separate definitions and tax applications.

[[IDAPA 35.01.02.106.06](#)]

Lease-purchase agreement

A “lease-purchase agreement” is an installment or conditional sale, even though the contractual parties refer to it as a lease. The transaction is a sale when ownership passes to the transferee at the end of the lease contract. This assumes that the transferee doesn’t give the seller other consideration, or consideration that isn’t representative of the fair-market value. The transferee owes tax on the entire sales price as of the date the transferee and seller entered the lease. The Tax Commission doesn’t consider the seller to be a lessor.

[[IDAPA 35.01.02.024.12.a](#)]

Lease with option to purchase agreement

A “lease with option to purchase agreement” is when the lessor transfers possession or use of the property to the lessee for consideration over a stated term. The lessor keeps possession at the end of the lease unless the lessee exercises an option to buy the property at a price agreed to at the beginning of the lease. This residual or buyout price must represent the fair-market value of the vehicle. The transferee owes tax on the individual payments as they occur throughout the lease.

[[IDAPA 35.01.02.024.12.b](#)]

Duration of the Lease

Sales tax applies to lease payments whether the property is leased on an hourly, daily, weekly, monthly, mileage, or other basis. Charges for personal property tax relating to the lease are included in the amount subject to tax.

[[IDAPA 35.01.02.106.06](#)] & [[IDAPA 35.01.02.024.10](#)]

Lessor – Located in Idaho

The lessor of a vehicle or other tangible personal property located in Idaho is an Idaho retailer under Idaho law and must collect sales tax from the lessee on each lease payment ([See section 4610](#)). The sales tax is due on the date that the lessee must make the lease payment, at the tax rate in effect on that date. A lessor can’t rely on the [DMV](#) to collect the tax.

Lessee – Exercises option to purchase

When a lessee exercises an option to purchase a leased vehicle, the lessee owes tax on the full purchase price or residual price paid. Lessors must collect the tax on the transaction at the tax rate in effect on the date they transfer the title to the lessee.

[[IDAPA 35.01.02.024.12.b](#)]

Lessors – Seller’s permit

Out-of-state lessors, as well as in-state lessors, must get a seller’s permit and comply with Rule 106.06.f. If the county assessor can’t verify that the lessor is properly registered to collect the tax, flag the transaction for the Tax Commission when you title or register the vehicle.

[\[IDAPA 35.01.02.106.06.f\]](#)

Lessors-No Seller’s Permit – Temporary Registration

Either issue a 30-day temporary registration or a conditional registration (nonrenewable unless title has been issued) for up to a year.

Tell the lessee that they can’t get tax clearance until the lessor has properly registered to collect tax. Flag this transaction for the Tax Commission.

Titled by Dealers or Manufacturers

A vehicle upon which a dealer’s plate can be lawfully displayed is considered inventory held for resale and isn’t subject to sales or use tax.

[\[IDAPA 35.01.02.108\]](#)

Titled by Dealers or Manufactures - Registered

When dealers or manufacturers take a vehicle from inventory and put it to a use for which a dealer’s plate isn’t authorized, they must title and register the vehicle and pay tax. The dealers or manufacturers have the option of **either**:

- Paying tax at the prevailing rate on the date of withdrawal based on the acquisition cost of the vehicle.
- Paying tax on a reasonable rental value for the month or part of a month during which they put the vehicle to a taxable use. A “reasonable rental value” is an amount equal to what people in the business of renting vehicles actually charge for a vehicle of like make and model.

[\[IDAPA 35.01.02.108\]](#)

Titled by Dealers or Manufactures – Vehicle use tax

Dealers owe tax on vehicles, such as work, service, or courtesy vehicles. They owe tax when the vehicle is no longer part of dealer’s resale inventory.

[\[IDAPA 35.01.02.108\]](#)

Vehicle Modifications for Handicapped or Disabled

Newly Modified

When a dealer or other retailer has added equipment to a motor vehicle, or has otherwise altered a motor vehicle, you should consider separately stated charges for these changes (line items) on an invoice or bill of sale for proper taxation.

Taxpayers can make a qualified purchase of Durable Medical Equipment (DME) that a practitioner prescribes without paying sales tax. When dealers or other retailers have added approved DME to a motor vehicle or otherwise altered a motor vehicle with DME, they can separately state the exempt portion. This means the DME isn't taxed. If the dealer or retailer doesn't separately state the DME, then the DME must be taxed with the motor vehicle.

Already Modified

An already modified vehicle or recreational vehicle doesn't qualify for DME exemption.

Example: Someone modified a four-wheeler (ATV) so it can be operated one-handed.

EXEMPTIONS

Transfers without Consideration

Inheritances

A vehicle awarded as an inheritance to an heir of the deceased isn't subject to tax if the heir gives you a copy of the court order or other documents as evidence of the inheritance.

Select "Inheritance" in the tax exemption list. Scan a copy of the documents with the title application.

Claims by heir

If an heir is claiming a vehicle by using an *Affidavit of Inheritance* (ITD Form 3414) ([IC 49-514](#)) or a *Small Estate Affidavit* (ITD Form 3413) ([IC 15-3-1201](#)), the heir doesn't owe tax. *The heir must give you a properly completed Affidavit of Inheritance or Small Estate Affidavit.*

Select "Inheritance" in the tax exemption list.

Transfer by court-appointed representative of estate

Estate representatives are appointed by the probate court. They might be a personal representative, executor, or administrator. When an estate representative transfers the title of a vehicle that's in a deceased person's name, tax requirements depend on who's receiving a vehicle, and in what manner.

- If the recipient is receiving the vehicle as a bona fide gift, the estate representative (donor) and recipient should complete an [ST-133GT Use Tax Exemption Certificate - Gift Transfer Affidavit](#).
- If a qualifying family member is buying the vehicle from the estate, the estate representative (seller) and the buying family member can complete an [ST133 Sales Tax Exemption Certificate - Family or American Indian Sales](#). (See [Sales to Family Members](#).)
- If the recipient was named in the will as the heir to the vehicle, the heir doesn't owe tax if he or she gives you a copy of the will showing he or she is entitled to the vehicle.

Divorce

A vehicle awarded to one person in a divorce isn't subject to tax if that person gives you a copy of the court order or property settlement agreement.

Select "Awarded by Court Order" in the tax exemption list. Attach a copy of the settlement papers to the title application you sent to the ITD or note on the ITD white copy that you received and reviewed the settlement.

Restitution

A court order of restitution to restore something lost or stolen from its proper owner isn't subject to tax.

Gifts

A gift of a vehicle isn't subject to tax. There can be no consideration either in money, goods, or services. The relationship of the donor and recipient must be one that qualifies for gifts. The recipient can't assume any of the donor's debt. *Ensure that the transaction is a true gift.*

[[IDAPA 35.01.02.107.02](#)]

Gift – Assuming a debt

If the recipient assumes a debt the donor owes, tax is due on the amount of the debt. If the title shows a lien holder, the gift exemption doesn't apply unless the customer can establish that the vehicle was put up as collateral for a new loan.

[[IDAPA 35.01.02.107.02.b](#)]

Gift – Documentation Requirements

Document the gifting of a vehicle using [Form ST-133GT, Use Tax Exemption Certificate -Gift Transfer Affidavit](#). The donor and the recipient complete the ST-133GT and give it to you with the vehicle title.

Gift – Exemption Form – Unable to sign an affidavit

When the donor is unable to sign an affidavit, you can accept **one** of these options:

- A letter the donor signs stating the vehicle is a gift and attaches to the ST-133GT.
- The Selling Price field on the front of the title marked as a “gift” and signed by the donor.

If you think the ST-133GT is completed correctly, select “Gift: ST-133GT” in the tax exemption list. Scan a copy of the form with the title application.

Gift – ST-133GT – Individuals and businesses

Both individuals and businesses can give gifts of vehicles. However, in the case of businesses, the donor and recipient can't have a relationship that suggests the donor gave the recipient the vehicle in place of bonuses, services, wages, or other consideration.

Please ensure Question 1 includes an explanation for a business gift.

Gifts - ST-133GT – Questionable gift claim

If you question the ST-133GT gift claim, you can send the recipient to the Tax Commission to get clearance. If you process the title, you can flag the transaction and note the unusual circumstances on the backup papers scanned with the title application. The Tax Commission will follow up and determine if the customer owes any tax on this transaction.

Promotional Giveaways and Raffles

When a motor vehicle is given away as a promotional item, use tax is owed on the acquisition cost of the vehicle. The dealer, retailer, or donor must accrue and pay the use tax due on their next sales tax return.

[[IDAPA 35.01.02.105.05\(a\)](#)]

Promotional Giveaways – Out-of-state providers

The recipient of the vehicle must provide documentation proving the vehicle was won as part of a promotion. Otherwise, the recipient must pay use tax on the fair trade-in value of the vehicle when titling it, registering it, or both.

Examples of satisfactory evidence include:

A Form ST-133GT *Use Tax Exemption Certificate Gift Transfer Affidavit* that the dealer or retailer completes.

Select “Gift: ST-133GT” in the tax exemption list.

Trusts

When a vehicle is transferred into a trust, sales tax isn’t due on the vehicle unless the beneficiary is assuming a debt for the vehicle at the time of transfer.

*Select “Other” in the tax exemption list, enter “Trust” in the **Other Tax Explanation** field, and scan a copy of the documentation with the title application.*

Trust – Removal of vehicle for consideration

A beneficiary may pay a trust to withdraw a vehicle for use before a trust is executed. The beneficiary owes sales tax on the amount paid to the trust for the vehicle at the time of withdrawal.

Trust – Difficult circumstances

If the facts or circumstances of the trust are difficult, you can require that the titleholder get a tax clearance from the Tax Commission.

Statute of Limitations

The statute of limitations for the Tax Commission to collect tax on a purchase of tangible personal property is seven years if unpermitted and three years if permitted for sales and use tax. If a transaction occurred more than seven years ago, don’t collect tax.

Business Transfers or Sales

Corporations, Partnerships, S-Corporations, LLCs

Capital Asset Transfers of motor vehicles that involve partnerships, corporations, S-corporations, LLCs, or any other type of business entity ^{must} complete Form ST-133CATS to qualify for a sales and use tax exemption.

Select “Capital Asset Sale/Lease/Rental: ST-133CATS” or “Capital Asset Transfer: ST-133CATS” in the tax exemption list and scan the completed form with the title application.

Sole Proprietors – Idaho Businesses

A vehicle transfer between an Idaho resident individual and his or her Idaho sole proprietor business is a transfer within the same legal entity.

Example: Individual to sole proprietorship. Mary is the sole proprietor of Squeaky-Clean Window Washing. The company isn’t incorporated, it’s not a partnership, and it’s not an LLC. Mary wants to add her “doing business as” (DBA) name to the vehicle currently titled in her and her spouse’s name. Mary doesn’t owe tax, and she doesn’t have to give you any exemption form for the transaction.

Example: Sole Proprietorship to Individual. In the same scenario as above, Mary instead wants to remove her DBA name from the title. If Mary is the sole proprietor, she doesn’t owe tax. She doesn’t have to give you an exemption form for the transaction.

Sole Proprietors – Out-of-State Businesses

Sole proprietors who are *new* residents to Idaho can title vehicles previously registered to them in their old state of residence without paying Idaho tax if they do **one** of these:

- Qualify for the new resident exemption
- Properly paid sales tax to another state for the vehicle

Sales tax paid must be equal to or greater than the current sales tax rate for Idaho.

[\[IDAPA 35.01.02.107.04\]](#)

Bulk Sales

Vehicles, vessels, RVs, snowmobiles, and aircraft sold as a part of a bulk sale of assets or property aren't subject to tax. A bulk sale occurs when all, or substantially all, of the assets of a business are sold to another entity that continues operation of the business.

[[IC 63-3622K\(5\)](#)] & [[IDAPA 35.01.02.099.03](#)] & [[IDAPA 35.01.02.107.09](#)]

The buyer and seller must provide and complete Part I of a Form ST-133CATS to apply for title transfer. The responses to Part I will determine if the transaction qualifies for the exemption.

Scan the completed form with the title application along with any other documentation the customer provides in support of the exemption claim (e.g. bill of sale, asset list, etc.). Select "Bulk Sale: ST-133CATS" in the tax exemption list.

Capital Asset Sale, Lease or Rental – Motor Vehicles and Transport Trailers Only

These capital (business) assets can be sold, leased, or rented without tax when the owners of all of the outstanding stock, equity, or interest of the transferor are **one** of these:

- The same as the transferee
- Members of the same family within the second degree of consanguinity or affinity

The initial [transferor](#) must have paid sales or use tax equal to or greater than Idaho tax when they bought the property. Refer to section 5705 for credit given for taxes paid to another state if taxes paid are less than the current Idaho rate.

[[IC 63-3622K\(4\)](#)]

The transferor and transferee must complete and provide Part II of a Form ST-133CATS to apply for title transfer. The responses to Part II will determine if the transaction qualifies for the exemption.

Scan the completed form with the title application along with any other documentation the customer provides in support of the exemption claim (e.g. bill of sale, proof of tax paid, etc.). Select "Capital Asset Sale/Lease/Rental: ST-133CATS" in the tax exemption list.

Capital Asset Transfer – Vehicles, Vessels, RVs, Snowmobiles, Aircraft

These capital (business) assets can be transferred to or by a business when the transfer is only in exchange for equity (ownership) of the business. **If** the transfer is between corporations, each entity must have at least 80% related stock ownership. The initial [transferor](#) must have paid sales or use tax equal to or greater than the Idaho tax rate when it purchased the property. Refer to section 5705 for credit given for taxes paid to another state if taxes paid are less than the current Idaho rate.

[\[IC 63-3622K\(3\)\]](#)

The recipient and transferor must complete and provide a Form ST-133CATS to apply for title transfer. They must complete Part III of this form to determine if the transaction qualifies for the exemption.

Scan the completed form with the title application along with any other documentation the customer provides in support of the exemption claim (e.g., transfer paperwork, proof of tax paid, etc.). Select “Capital Asset Transfer: ST-133CATS” in the tax exemption list.

Production Exemption for Off-Road Vehicles

Motor vehicles and trailers for use off-road in farming, logging, mining, or manufacturing might be eligible for an exemption. To qualify, the vehicle must be used directly and primarily in the production process. For example, a feedlot can purchase a motor vehicle without owing Idaho sales or use tax if it uses the vehicle exclusively off-road to distribute feed to its cattle.

If you’re satisfied that the production exemption claim is valid, have the customer complete and provide an ST-101, Sales Tax Resale or Exemption Certificate, and select “Production Exemption: ST-101” in the tax exemption list.

Licensed Off-Road Vehicles

The production exemption only applies if Idaho doesn’t require the vehicle to be licensed. If Idaho requires the vehicle to be licensed or the buyer wants to license the vehicle, the buyer owes tax on the recent purchase price or the average trade-in value from the most recent NADA Official Used Car Guide at the time of licensing.

Title on Unlicensed Vehicles – Property tax

A vehicle licensed or required to be licensed is subject to sales tax but is exempt from property tax. When Idaho issues a title on an unlicensed vehicle, the vehicle becomes subject to property tax.

Be sure to place unlicensed motor vehicles and trailers on the personal property tax rolls when the owner titles the vehicle.

Production Exemption – Excluded

Reminder – Loggers, farmers, ranchers, and other producers must pay tax on these vehicles that they buy for use primarily for their business:

- ATVs
- Camper units
- Off-road motorbikes
- Dual-purpose motorcycles
- Snowmobiles
- Recreation-type trailers used for temporary living quarters

These vehicles can't qualify for the production exemption or logging exemption, and the owners must pay tax when they acquire the vehicle.

Logging exemption – Log loading equipment

Owners can license their log jammers, log loaders, and similar fixed-load vehicles used in the logging industry and normally operated in an overweight, overwidth condition. To license them, someone must be able to operate them legally on public highways as commercial vehicles.

Owners owe tax on the fair-market value of the vehicle at the time it's licensed, if acquired within seven years from the date of licensing.

Owners don't owe tax if they bought the property more than seven years before the date of licensing.

Exempt Entities

Some business entities are exempt from sales and use taxes when they buy a vehicle. Here's the most current list of exempt buyers: [Current Exempt Buyers](#)

[[IC 63-3622O](#)]

The buyer must complete a Form ST-101, Sales Tax Resale or Exemption Certificate, and give it to the retailer or to you when they apply for title.

Questionable Exemption Claims

When a customer claims an Idaho tax exemption not listed on Form ST-101, please contact the Tax Commission for verification, or refer them to the Tax Commission for a tax clearance.

Interstate Commerce Carrier (ICC)

Interstate Commerce Carrier – What qualifies

Idaho allows an exemption from sales and use taxes for qualifying motor vehicles, trailers, and glider kits either sold or leased to commercial or private carriers and used in interstate commerce.

[\[IC 63-3622R\(c\)\]](#) & [\[IDAPA 35.01.02.101\]](#)

Motor Vehicles

Idaho allows an exemption from sales and use taxes for motor vehicles sold or leased to a buyer who will do **all** of these:

- Immediately register the vehicle with a maximum gross registered weight of more than 26,000 pounds (GVWR - Class 7 or higher).
- Register the vehicle under the International Registration Plan (IRP).
- Operate the vehicle in a fleet of vehicles with a minimum of 10% of the fleet miles operated outside Idaho in any IRP registration period.

[\[IC 63-3622R\(c\)\]](#) & [\[IDAPA 35.01.02.101.02\]](#)

Trailers

Idaho allows an exemption from the sales and use taxes for trailers when the trailer will do **both** of these:

- Immediately become a part of a fleet of vehicles registered under the International Registration Plan (IRP).
- Be part of a fleet of vehicles with a minimum of 10% of the fleet miles operated outside Idaho in any IRP registration period.

[\[IC 63-3622R\(c\)\]](#) & [\[IDAPA 35.01.02.101\]](#)

Interstate Commerce Carrier – Titled or base plated

The exemption applies even when the motor vehicles are titled or base plated in Idaho.

Interstate Commerce Carrier – ST-104IC exemption form

Buyers claiming this exemption must provide the seller or lessor with Form ST-104IC, *Sales Tax Exemption Certificate-Interstate Commerce Vehicles*.

- The dealer should attach the appropriate copy of the Form ST-104IC to the title application it sends you.
- When buyers purchase a vehicle qualifying for this exemption from a retailer who isn't registered to collect Idaho sales tax, the buyer must complete a Form ST-104IC and give it to you when they title or register the vehicle.

Select "Interstate Commerce Vehicle: ST-104IC" in the tax exemption list and scan the exemption certificate with the title application.

Interstate Commerce Carrier – No longer qualifies

If, at the end of any IRP reporting period, the out-of-state mileage of a fleet claiming the exemption drops below 10%, the fleet of motor vehicles and trailers used in this state is subject to the use tax. The motor vehicles and trailers are taxable on their fair-market value as of the last day of the reporting period. That tax is due on the 20th day of the month following the end of the reporting period.

[[IC 63-3622R\(c\)](#)] & [[IDAPA 35.01.02.101.07](#)]

Interstate Commerce Carrier – Doesn't qualify

This exemption doesn't apply if a buyer titles a vehicle and claims that less than 10% of the fleet mileage occurs outside Idaho. A carrier that holds titles issued by another state that doesn't charge tax on these units must pay Idaho tax on the fair-market value of the vehicles or trailers at the time the carrier titles them in Idaho, unless an exemption applies.

Some states tax ICCs at rates less than the general retail sales tax rate. If tax that a carrier paid to the other state is less than the Idaho sales tax rate, the carrier must pay the difference when it titles the vehicle in Idaho.

Purchased with no intent to use in Idaho**Foreign Vehicle**

A citizen of a foreign country that's owned a vehicle for more than 90 days before moving to Idaho can claim the same exemption that a resident of any state of the United States (except Idaho) can claim.

[[IDAPA 35.01.02.107.04](#)]

Example: A citizen of Canada buys a vehicle 90 days before moving to Idaho. She must complete a Form ST-102 and give it to you to claim the exemption.

Example: A citizen of the U.S. moves to a foreign country and becomes a citizen of the foreign country. He purchases a vehicle more than 90 days before moving to Idaho. He must complete a Form ST-102 and give it to you to claim the exemption.

Foreign Vehicle – Idaho Use Tax

Any American citizens living in a foreign country who don't become citizens of that country owe tax on a vehicle they register in Idaho or use more than 90 days during any 12-month period. This is true no matter how long they lived in the foreign country. Idaho gives credit for any tax they paid to another state of the United States.

Example: A resident of Idaho is on a one-year tour of Europe and buys a car 10 months before returning to Idaho. The Idaho resident owes tax on the fair-market value of the car at the time it enters Idaho.

New Resident Exemption

To claim the exemption, the owner must complete [Form ST-102](#), *Use Tax Exemption Certificate - New Resident* or [Form ST-102NM](#), *Use Tax Exemption Certificate - Nonresident Military*.

Scan the completed ST-102 or ST-102NM with the title application and select “New Resident: ST-102” or “Non-resident Military: ST-102NR” as the tax exemption code.

New Residents

New residents don't have to pay tax on personal vehicles brought to Idaho if **all** of the following are true:

- They acquired the vehicle while residing in another state or country.
- The vehicle was primarily for use outside Idaho, and the use was actual and substantial.
- They acquired the vehicle more than 90 days before moving to Idaho.

A registration or title from another state or nation of residence issued more than 90 days before moving to Idaho is proof that the vehicle was primarily for use outside Idaho.

[\[IC 63-3621\(k\)\(1\)\]](#) & [\[IDAPA 35.01.02.107.04\]](#)

Example: A citizen of Canada or Montana moves to Idaho, bringing a vehicle she's owned for two years and establishes residency in Idaho. She doesn't owe tax.

New Resident – Personal vehicle

A "personal vehicle" is one that an individual, sole proprietor, or grantor trust owns.

New Resident – Nontaxing states

New residents coming from nontaxing states (OR, MT, AK, DE, NH) must complete [Form ST-102](#) to claim the exemption for their vehicles. *They must give you the form when they title or register the vehicle.*

If another state doesn't require the titling, registration, or both for a vehicle (such as Alaska for ATVs), the new residents must give you evidence that shows when they purchased the vehicle and that they owned it at least 90 days before moving to Idaho.

Scan the completed ST-102 with the title application and select "New Resident: ST-102" in the tax exemption list.

Nonresident

Defined

A nonresident is a person or business whose domicile is in another country or in a state other than Idaho.

Example: An Oregon resident travels to Idaho to work temporarily for two months and then returns to Oregon. She doesn't owe tax on the motor vehicle she brings to Idaho if it remains titled and registered in Oregon.

Using a Vehicle in Idaho

Nonresidents can operate their motor vehicle in Idaho without owing Idaho sales or use tax if **all** of these are true:

- The motor vehicle is registered or licensed in the state or country where they live.
- They don't use the motor vehicle in Idaho more than 90 days in any consecutive 12-month period. (A motor vehicle is considered to have been used in Idaho for a day when it's present in this state for more than 16 hours during any 24-hour period.)
- Idaho law doesn't require the motor vehicle to be registered or licensed.

[[IC 63-3621\(k\)](#)] & [[IDAPA 35.01.02.107.04](#)]

Nonresident Military

Active-duty military personnel and their spouses don't owe use tax on the use of vehicles, vessels, and aircraft if they're personally owned and acquired at **one** of these times:

- Before receiving orders to transfer to Idaho
- 90 or more days before moving to Idaho

The vehicle owner can prove that the vehicle was primarily for use outside Idaho if the owner obtained a registration or title from another state or nation of residence before receiving orders to transfer to Idaho, or 90 days before moving to Idaho. Owners must complete Form ST-102NM to claim the exemption when they title or register the vehicle.

[[IDAPA 35.01.02.107.04](#)] & [[63-3621\(l\)](#)]

Scan the completed ST-102NM with the title application and select "Non-resident Military: ST-102NR" in the tax exemption list.

Purchasing a Vehicle in Idaho

Nonresidents can buy a motor vehicle, trailer, ATV, snowmobile, off-highway motorcycle, or vessel with attached motor exempt from the tax if they claim they'll do **all** these:

- Take the vehicle out of Idaho.
- Immediately title or register the vehicle under the laws of another state or country, if required.
- Won't use the vehicle in Idaho more than 90 days in any 12-month period.

[[IDAPA 35.01.02.107.10](#)]

ST-104NR

To claim the exemption, nonresidents must give the dealer a completed Form ST-104NR, *Sales Tax Exemption Certificate-Nonresident Vehicle/Vessel*. Nonresidents can't title or register vehicles in Idaho without paying the tax.

Exclusions

The exemption doesn't apply to truck campers (or canopies). This exemption also doesn't apply to canoes, kayaks, or inflatable boats, regardless of length, when sold without a motor.

Sales to Family Members

Sale to Family Member – ST-133

This exemption applies only to the sale of a **motor vehicle** to a family member. No other vehicles or vessels qualify for this exemption. To claim the exemption, both the buyer and seller must complete [Form ST-133, Sales Tax Exemption Certificate—Family or American Indian Sales](#).

The buyer and seller must be related by either blood ("second degree of consanguinity") or formal adoption. These relationships are parent and child, grandparent and grandchild, and brother and sister (siblings). These are the only relationships that qualify for the exemption.

The family sale exemption doesn't apply if the buyer or seller is a cousin, aunt, uncle, or foster child.

See [Sale to Family Member - Relation Requirement](#) below for community property and "step" relationships.

[[IC 63-3622K\(c\)\(1\)](#)] & [[IDAPA 35.01.02.107.07](#)]

Sale to Family Member – Seller tax requirement

The exemption for the sale of a motor vehicle to a family member doesn't apply if the seller didn't pay tax when acquiring the vehicle.

[[IDAPA 35.01.02.107.07.b](#)]

Example: Mother previously gifted her son a motor vehicle, and she used a Form [ST-133GT](#), *Use Tax Exemption Certificate – Gift Transfer Affidavit*, to document the gift. No one owed tax. Son now wants to sell the vehicle to his daughter, who wants to claim the family sale exemption ([Form ST-133GT](#)). She can't claim this exemption because her father didn't pay tax when he received the vehicle from his mother. Daughter owes use tax on the average trade-in value of the vehicle.

Sale to Family Member – Relation requirement

Either spouse can sell a community-property vehicle to a relative of the other who's related by blood, adoption, or marriage (second degree of consanguinity). As long as the spouses are currently married, either can sell a vehicle to a family member meeting the relationship definitions in section [Sale to Family Member – ST-133](#) above: stepparent and stepchild, step-grandparent and step-grandchild, or stepbrother and stepsister (stepsiblings).

[[IDAPA 35.01.02.107.07](#)]

Sale to Family Member – ST-133 review

The buyer and seller must complete [Form ST-133](#). The buyer must provide it to you when titling the motor vehicle.

Review the Form ST-133 to ensure that it's properly completed and the relationship claimed has been checked in Part I of the form. If you're satisfied with the form, select "Family Sale: ST-133" in the tax exemption list. Scan a copy of the ST-133 with the title application.

If the seller can't complete the Form ST-133, he or she can sign a letter stating the family relationship and selling price of the vehicle.

Scan the letter with Form ST-133.

Example: Mr. and Mrs. Jones bought a car after their marriage. They later sell it to Mr. Jones's son by a previous marriage. Mrs. Jones prepares the bill of sale to her stepson and completes ST-133. No one owes tax. The motor vehicle is community property. Either Mr. or Mrs. Jones can sell the motor vehicle to the son/stepson.

Example: Gabriel sells his car to his cousin Andrea. They fill out the Form ST-133 but don't check a relationship. Andrea owes tax. A sale between cousins doesn't qualify for the exemption (second degree of consanguinity).

Sale to Family Member – Review of taxes paid

A title that a taxing state issues is sufficient evidence that the seller paid tax. If the seller holds a title that a nontaxing state (like AK, MT or OR) issued, you can't accept the Family Sale Affidavit claim on the Form ST-133. The exception is if the seller can give you proof to clearly establish that she paid tax on her original purchase of the motor vehicle.

Example: An Oregon resident buys a vehicle and titles it in Oregon. She didn't pay sales or use tax on the transaction. Later that year, she sells the vehicle for \$10,000 to her son, who's an Idaho resident. The son owes Idaho use tax because his mother didn't pay sales or use tax when she acquired the vehicle. He must pay tax on the \$10,000 purchase price.

Sale to an American Indian

Sale to an American Indian – Delivery requirement

An enrolled member of an Indian tribe can purchase a vehicle without paying tax if the sale and delivery of the vehicle occurs within the boundaries of an Indian reservation.

The buyer and the seller must complete [Form ST-133](#), *Sales Tax Exemption Certificate –Family or American Indian Sales*. The form must include the buyer's tribal identification number and the buyer's and seller's signatures.

[[IDAPA 35.01.02.107.08](#)]

Sale to an American Indian – ST-133

Scan a copy of the completed Form ST-133 with the title application. Select "American Indian: ST-133" in the tax exemption list.

Example: A tribal member buys a vehicle from a dealer located off the Indian reservation. The dealer delivers the vehicle to the reservation. The tribal member and dealer complete and sign the [Form ST-133](#). The tribal member doesn't owe tax.

Note: In this situation, ITD has determined that the dealer doesn't need a temporary dealer's license for making a sale at a remote site.

Example: A tribal member buys a vehicle from a dealer located off the Indian reservation. The tribal member and dealer sign the paperwork on the dealer's lot, and the dealer delivers the vehicle there. The tribal member must pay tax.

Tax Paid to Another State

Tax Paid to Another State – Credit given

An owner doesn't owe Idaho sales or use tax on a vehicle if another state of the United States correctly imposed a general sales tax in an amount equal to or greater than the tax due Idaho.

If the other state's tax rate is lower than Idaho's, the buyer owes the difference unless another exemption applies. Owners can use the registration or title that the other taxing state issued to show they paid the tax. *If the owner gives you enough proof, Select "OOS Title in Cust. Name from Taxing State" in the tax exemption list.*

The exemption doesn't apply if the registration or title was issued by the states of Alaska, Delaware, Montana, Oregon, or New Hampshire because these states don't have a general sales tax. However, Idaho gives credit if the owner paid a general tax to a county, city, or borough in one of these states.

[[IC 63-3621\(j\)](#)] & [[IDAPA 35.01.02.072.07](#)]

Tax Paid to Another State – Order credit given

Idaho allows credit for taxes the owner paid to state and political subdivisions of the state to offset Idaho sales tax due. Taxes due to the State of Idaho are paid before any local taxes due.

Example: A Kansas resident bought a \$20,000 vehicle two months before moving to Idaho. He presents his Kansas title to you. He owes tax because he acquired the vehicle only two months before entering Idaho. The rate of tax in Kansas at the time of purchase of the vehicle was 5.3%. The amount of tax he paid to Kansas was \$1,060. He owes Idaho tax at 6%, which is \$1,200. You would collect an additional \$140 in Idaho tax.

Example: A Washington resident bought a \$20,000 vehicle two months before moving to Idaho. She paid 6.8% Washington state sales tax, 1.5% county sales tax, and .6% city sales tax. The total Washington general sales tax paid was 8.9%, or \$1,780. She doesn't owe Idaho tax because the amount paid Washington exceeds the amount she'd owe Idaho (6%, or \$1,200).

Example: A Canadian citizen bought a vehicle two months before moving his residency to Idaho. Tax is due on the vehicle because he didn't own the vehicle for at least 90 days before moving to Idaho. Because Idaho doesn't allow credit for taxes paid to a foreign government, he doesn't get credit for tax paid to Canada. He owes Idaho tax on the taxable value of the vehicle.

Example: An Alaska resident bought a \$20,000 vehicle immediately before moving to Idaho. She paid a 3% city sales tax in Alaska. When she moves, Idaho will give credit for the local tax paid and collect an additional 3% tax on the taxable price of the vehicle.

Example: An Idaho resident bought a \$20,000 vehicle in Wyoming four years before bringing it to Idaho. He paid 5% sales tax, or \$1,000, to Wyoming. The current value of the vehicle is \$13,000. The amount of Idaho use tax on \$13,000 is \$780 (6% of \$13,000). But he doesn't owe Idaho use tax because he already paid \$1,000 in tax to Wyoming.

Example: A church buys and titles a vehicle in Utah. Utah exempts from Utah sales tax the vehicles that churches buy. The church later brings the vehicle to Idaho. The church owes Idaho use tax on the current value of the vehicle.

ITD Tax Exemption List

When someone claims a sales tax exemption on a vehicle, select the appropriate reason from the list below to identify the exemption.

American Indian: ST-133

Awarded by Court Order

Bulk Sale: ST-133CATS

Capital Assets Sale, Lease, Rental: ST-133CATS

Capital Assets Transfer: ST-133CATS

Dealer Resale

Exempt Buyer: ST-101

Family Sale: ST-133

Gift: ST-133GT

Homemade Trailer: ST-108

Inheritance

Interstate Commerce Vehicle: ST-104IC

Leased Vehicle w/ Opt to Buy

Mfr. Home or Mobile Home (Used)

New Resident: ST-102

Non-resident Military: ST-102NM

Non-resident: ST-104NR

Occasional Sale for Trailer: ST-108TR

OOS Title in Cust Name from Taxing State

Out of Statute (>7 years)

Park Model RV Modification Affidavit: ST-108PM

Production Exemption: ST-101

Purchase for Resale: ST-101

Repossession

Retail Sales Tax Paid

Salvage – Owner Retained

Salvage to Insurance

Tax Clearance: MVM-3

Tax Collected with Registration

Tax Paid to OS Dealer

Trust

Other

Tax Reporting by County Assessors

County Assessor Tax Reporting – Form ST-852

Complete and submit Form ST-852, Idaho Sales Tax Return - County Assessors, to the Tax Commission at least every month. You can submit the form more frequently.

[\[IDAPA 35.01.02.110.01\]](#)

County Assessor Tax Reporting – NSF checks

A nonsufficient funds (NSF) check payable to the assessor is the responsibility of the county.

- Make every effort to collect the bad debt.
- If you can't collect the debt, you can request that the Tax Commission help.
- For bad debt that's unresolved by the close of your county's fiscal year end, the county can claim a bad debt write-off on the next regular sales-tax filing. You must attach a written explanation to the sales tax return.

Appendix A

You can get state and local sales-tax data from Tax Foundation website at <https://taxfoundation.org/publications/state-and-local-sales-tax-rates/>. Under **State Taxes**, hover over **Sales Tax**, select Sales Taxes, select Explore State and Local Sales Tax Rates, and then select **Download PDF**.

Appendix B

FORMS: Current exemption forms available on the Tax Commission's website:

<https://tax.idaho.gov/itd>

ST-101	Sales Tax Resale or Exemption Certificate. Used to document exempt sales to exempt entities, vehicles purchased for resale, production exemption, etc.
ST-102	Use Tax Exemption Certificate – New Resident
ST-102NM	Use Tax Exemption Certificate – Nonresident Military
ST-104IC	Sales Tax Exemption Certificate -- Interstate Commerce Vehicles Used to document purchases qualifying for the interstate carrier exemption.
ST-104NR	Sales Tax Exemption Certificate -- Nonresident Vehicle/Vessel Used to document sales to nonresidents purchasing vehicles for use outside Idaho
ST-108	Transport Trailer, Office Trailer and Untitled Boat Certificate. Used when collecting tax on untitled transactions. Also used as an affidavit of tax paid on homebuilt trailers.
ST-108PM	Park Model Recreational Vehicle Modification Affidavit
ST-108TR	Occasional Sale Exemption Claim for office trailers and transport trailers. Used to document occasional sale exemption.
ST-109	Off-Highway Vehicle or Vessel Registration Sales Tax Affidavit
ST-133	Sales Tax Exemption Certificate Family or American Indian Sales
ST-133GT	Use Tax Exemption Certificate Gift Transfer Affidavit

ST-133CATS Sales Tax Exemption Certificate – Capital Asset Transfer Affidavit. Used to document bulk sales, capital asset sales, and capital asset transfers. Revised form in process.

Appendix C

Refund Guidelines for Tax Collected with Title Transactions

Authored in Conjunction with ITD/Outreach- 11/28/16

Dealer, lender, or retailer transactions

When a customer requests a refund of sales or use tax paid in conjunction with a title transaction, the procedure will vary depending on who collected the tax:

- If *someone other* than the county (e.g. a dealer or lender) collected the tax:
 - The county can direct the customer to the party that collected the tax to request a refund.
 - If the party that collected the refund is unwilling or unable to refund the money, the customer can apply directly to the Tax Commission for the refund.
- If the county collected the tax:
 - The county should process the refund, if the customer request occurred on the same day the customer paid the taxes.
 - If the customer request occurs after the end of business on the day of the transaction, the customer will need to send the refund request to the Tax Commission.

When requesting a refund from the Tax Commission, the customer should submit **both** of these:

- A written request, preferably using Form TCR, properly completed and signed. This form is available from the Tax Commission's website (tax.idaho.gov).
- Proof of tax paid. This can be one of the following:
 - Copy of the title application or sales order from an Idaho dealer or out-of-state dealer with an Idaho seller's permit showing the dealer's permit number and amount of tax collected.
 - Cancelled check from an out-of-state dealer who doesn't have an Idaho seller's permit, showing the dealer remitted the tax to Idaho.
 - Copy of the title application from lienholder showing its seller's permit number and amount of tax collected.

The Tax Commission might require other information, on a case-by-case basis.

INDEX

- \$1 bill of sale, 17**
- Active-duty military, 22**
 - Nonresidents, 46
- American Indians, 49**
- Assumed indebtedness, 15**
- ATVs**
 - Definition, 8
 - Exclusion from production exemption, 40
- Auctioneers, 30**
- Barter**
 - Definition of, 15
 - Private parties, 31
- Bill of sale, 17**
 - No, private parties, 31
- Bill of Sale**
 - Purchase form Retailer, Required information, 30
- Bulk Sale, 39**
- Bulk sales, 27**
 - Recreational vehicles, 27
- Bus, converted, 8**
- Buybacks, 16**
- Camper trailers, 26**
- Capital asset**
 - Tax exemption, 39
 - Transfers, 38
- Commercial vehicles, 42**
- Converted van or bus**
 - Definition, 8
- Dealer fees, 18-19**
- Dealers**
 - And titling, 33
 - Idaho, 28
 - Out of state, 28-29
 - Titled or registered by, 33
- Divorce, 35**
- Drawings, 36-37**
- Estates, 35**
- Exempt entities, 41**
- Exemption list, 52**
- Family member sales, 47-49**
- Fees, dealer. *See Dealer Fees***
- Fifth-wheel vehicles, 14**
 - Exclusion from occasional sales, 26
- Finance charges, 20**
- Foreign country**
 - Americans lived in, registering vehicle in Idaho, 44
 - Citizen of, new Idaho resident, 44
 - Citizens of, bringing vehicles to Idaho, 43
 - Taxes paid to, 22
 - Temporary assignment example, 22
- Forms, list of Tax Commission, 52**
- Gifts, 36**
- Giveaways, 36-37**
- Heirs, 35**
- Homemade trailers, 20**
- ICC (Interstate Commerce Carrier), 42**
- Idaho dealers, purchases from, 28**
- Indians, 49**
- Inheritances, 35**
- Insurance**
 - And buybacks, 16
 - And salvage value, 16
 - And stolen vehicles, 20
 - charges, 20
 - Settlements, 20
- International Registration Plan, 42**
- Interstate commerce carriers, 42-43**
- IRP, 42**

Leases, 32-33

- And trade-in allowances, 15
- General guidance, 6

Lessors

- Idaho, 32
- Out of state, 32

Logging exemption, 41

Logging, production exemption, 41

Low bill of sale, 17

Manufactured home

- And dealer fees, 18
- And trade-in allowances, 16
- Definition, 9
- Definiton of "new", 10
- Taxability of new, 21
- Taxability of used, 21

Manufacturer's rebates, 24

Manufacturers, titled or registered vehicles by, 33

Military, 22

- Nonresidents, 46

Mobile home, 9

Modular building

- And dealer fees, 18
- And trade-in allowances, 16

Modular Building, 10

Motor home

- And dealer fees, 18
- Definition, 10
- Exclusion from New-Vehicle Accessory Labor exemption, 11
- Exclusion from occasional sales, 23

Motor vehicle, definition, 10

Motorbike, off highway, definition, 12

Motorcycle

- Definition, 10
- Dual purpose, definition, 9

Native Americans, 49

New resident

- Exemption, 44
- Qualifying for exemption, 44

New residents, 45

- As sole proprietors, 38

No bill of sale, 17

No Bill of Sale

- Acceptable Substitute Documentation, 17

Nondealers

- Private parties, 31
- Retailers and pawnshops, 30

Nonresidents, 46

- And truck campers, 26
- Buying in Idaho and removing, 47
- Military, 46

Nonretailers, 31

Occasional sales, 23

- Office trailers, 23

Off-highway vehicles

- Motorbikes, 12
- Specialty (SOHV), 13
- Utility type, 14

Office trailers, 23

- Occasional sales, 26
- Taxing, 26

Off-road vehicles

- And production exemption, 40

Out-of-state dealers, 28-29

Pawnshops, 30

Person, definition, 12

Private parties, 31

Production exemption, 40-41

- Exclusions, 27, 41

Promotional giveaways, 36-37

Raffles, 36

Rebates

- Manufacturer's, 24
- On purchases from out-of-state dealers, 29

Reciprocity, 28

Recreational vehicles

- Exclusion from occasional sales, 23
- Modified for disabled, 34

Recreational vehicles, definition, 12

Recreational-related vehicles, 26

- Bulk sales, 27

Refunds

- Applying for, 56
- Rescinded sales, 25
- Tax overpayments to dealers, 28

Repossessions, 27

Rescinded sales, 25

Resident

- Definition of Idaho, 13
- Idaho military, 22

Retailer, definition, 13

Retailers, buying from, 30

ROV, definition, 14

Sales

- Business, 38-40
- By Idaho dealers, 28
- By out-of-state dealers, 28
- By pawnshops, 30
- By private parties, 31
- By retailers (nondealers), 31
- To family members, 47-49

Snowmobile

- Definition, 13
- Exclusion from production exemption, 40

Specialty off-highway vehicles (SOHVs), definition, 13

Statute of limitations, 37

Stolen vehicles, 20

Students, nonresident, 13

Tax rates, other states, 50

Taxes paid to other states or countries, 27

Title fees, 18

Trade-down, 16

Trade-in

- Allowance, 15
- And manufactured homes, 21
- Average NADA price, 17
- Buybacks, 16
- Insurance settlement, 20
- Office trailers, 23
- Park model recreational vehicle, 24
- Private parties, 31
- Recreational-related vehicle, 26

Trailer

- Camping, fold down, 8
- Definition, 13
- Fifth wheel or travel, 14
- Homemade, 20
- In interstate commerce, 42
- Transport, 26

Trailers

- Office, 23

Transfers

- Business, 38-40
- Without consideration, 35-37

Transport trailers, 39

- Capital asset, 39-40
- Occasional sales, 26
- Registering, 26

Travel trailer, 14

Truck camper, definition, 14

Trusts, 37

Van

- Converted, as recreational vehicle, 23
- Converted, definition, 8

