Overview

Under current law, the motor vehicle sales tax applies to the transfer of motor vehicles regardless of whether it is a sale or gift. If the motor vehicle is transferred by gift or for a nominal or non-monetary consideration, the tax is calculated on the average "blue book" value of similar vehicles. Currently the only time a transfer may occur without paying the tax is if the transfer of the vehicle meets one of the following requirements:

- transfer through inheritance;
- transfer of an interest from a co-owner to another co-owner;
- a gift to a husband, wife, child, or foster child; or
- a gift to 501(c)(3) nonprofit organization to be used for religious, charitable, or educational purposes.

1 **Definition of a sales for purposes of calculating motor vehicle sales tax.** Allows transfers of motor vehicles between individuals to be exempt from the motor vehicle sales tax if the transfer is a gift and the parties sign an affidavit to that effect at the time the title is transferred.

2 **Effective date.** Effective for transfers beginning July 1, 1999.