

State of Rhode Island - Division of Taxation

Sales and Use Tax

Regulation SU 94-18

Casual Sales of Motor Vehicles, Airplanes and Trailers

The tax applies to the total sale price of a motor vehicle, airplane, or trailer, which is purchased from persons other than dealers.

MOTOR VEHICLES AND TRAILERS: The state law requires that motor vehicles and trailers be registered. Where the casual sale of a motor vehicle or a trailer is made, the purchaser is obliged to pay the use tax directly to the appropriate state agency before registering for such motor vehicle or trailer.

NOTE: The basis of the tax on the casual sale of a motor vehicle shall be the actual selling price or the average retail value as shown in the current issue of the nationally recognized used vehicle guide prescribed by the Tax Administrator whichever is higher.

A request for redetermination of the retail dollar value may be made to the Tax Administrator within thirty days after payment of the tax.

THE MOTOR VEHICLE LAW REQUIRES THE SALES TAX MUST BE PAID BEFORE TITLE WILL BE ISSUED.

OTHER MOTOR VEHICLES: Where a casual sale is made of a motorized vehicle that does not require registration under state law, the purchaser is required to file a use tax return and pay the use tax directly to the Tax Administrator on or before the 20th day of the month following the month during which such casual sale was made. Such use tax return forms may be obtained from the Division of Taxation.

AIRCRAFT: Where a casual sale of an airplane is made, or where an airplane is purchased from a retailer under circumstances where sales tax is not applicable, the purchaser thereof must file a use tax return and pay the use tax to the appropriate state agency before registering such aircraft with said agency.

Total sale price means and includes not only cash paid by the purchaser to the seller, but it also includes the value of any property, tangible or intangible, taken by the seller in payment of an airplane or trailer.

Dealers of airplanes who hold permits are required to collect the sales tax from the customers.

EXEMPT CASUAL SALES: Cross Reference - Casual Sales.

**R. GARY CLARK
TAX ADMINISTRATOR**

DATE: January 1, 1994

THIS REGULATION AMENDS AND SUPERCEDES REGULATION SU 88-18
PROMULGATED DECEMBER 31, 1988.