

State of Rhode Island - Division of Taxation

Sales and Use Tax

Regulation SU 07-18

Casual Sales of Motor Vehicles and Trailers

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

For exception on motor vehicles refer to Regulation SU 03-72 Motor Vehicles – Trade-In Allowance.

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.

EXEMPT CASUAL SALES: Cross Reference - Casual Sales.

**DAVID SULLIVAN
TAX ADMINISTRATOR**

DATE: January 2007

**THIS REGULATION AMENDS AND SUPERCEDES REGULATION SU 94-18
PROMULGATED DECEMBER 31, 1994.**