

SPECIAL NOTICE

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Vehicle Sales Tax and Use Tax Requirements for Persons in the Military Services

This notice is part of the Department of Revenue's continuing education efforts to provide information about how Washington's sales tax and use tax generally apply to the sale or use of motor vehicles by persons in the military services.

For purposes of this discussion, "**motor vehicle**" means any vehicle that is self-propelled and licensed for transportation on public streets. The term includes automobiles, motorcycles, and mopeds, but does not include motor homes, recreational vehicles, trailers, campers, or watercraft.

Sales Tax

Generally, military personnel who purchase motor vehicles, trailers, and campers in Washington are required to pay sales tax if they intend to remain in this state more than three months. This is true even if they claim a home of record in a state other than Washington and even if they register the vehicle under the laws of their home state. (See exceptions below.)

Sales Tax Exemptions

Sales tax exemption A—RCW 82.08.0264: Military personnel may purchase and take delivery in this state of a motor vehicle, trailer, or camper **for use outside this state** without payment of retail sales tax if the following requirements are met:

1. The military purchaser's residence or home of record is not in Washington; **and**
2. The motor vehicle, trailer, or camper is taken from the point of delivery in this state (generally the dealer's location) directly to a point outside this state under the authority of a trip permit issued by the Department of Licensing pursuant to RCW 46.16.160.

Sales tax exemption B—RCW 82.08.0264: Military personnel may purchase and take delivery in this state of a motor vehicle, trailer, or camper **for temporary use within this state** without payment of retail sales tax if **all** of the following requirements are met:

1. The military purchaser's residence or home of record is not in Washington; and
2. The motor vehicle, trailer, or camper is registered and licensed immediately (with evidence of licensing affixed to the vehicle) under the laws of the state of the military purchaser's residence or home of record.
Alternatively, the military purchaser of a motor vehicle applies for out-of-state license plates at the time of sale and removes the vehicle from the dealer's premises under the authority of a 45-day nonresident military temporary license (45-day permit) issued by the Department of Licensing pursuant to RCW 46.16.460; and

(more)



3. Whether licensed immediately or application for license is made at the time of sale, the motor vehicle, trailer, or camper:
 - ◆ Cannot be used in this state more than three months; and
 - ◆ Cannot be required to be registered and licensed under the laws of Washington. (In most cases, a military purchaser with a home of record elsewhere is not required to license a vehicle in this state.)

WAC 458-20-177 identifies the documentation requirements for such exempt sales.

Note: Motor vehicles, trailers, or campers must be licensed in Washington if a military purchaser registers the property in the separate name of a spouse or other family member living in Washington who is not an active duty member of the armed forces. In this situation, the military purchaser is required to pay sales tax.

Use Tax

Generally, military personnel who bring into this state (or use) motor vehicles in this state are required to pay use tax when sales tax has not been paid, except as noted below. The use tax applies to the value of the vehicle used at the time of first use in Washington. Any sales tax or use tax previously paid in another state or country is allowed as a credit against the amount of use tax due in Washington. Use tax on vehicles is generally paid to the Department of Licensing at the time a vehicle is registered.

Use Tax Exemptions

Use tax exemption A—RCW 82.12.0251: The law provides a limited use tax exemption for the use of private motor vehicles, **except motor homes**, by a nonresident member of the armed forces. A “private motor vehicle” is an individually owned motor vehicle used for the personal transportation of the owner, with a **load capacity** of 1500 pounds or less. The term does not include vehicles licensed to business entities, nor does it include fifth-wheel trailers or other property that is not motor-propelled. This use tax exemption applies only if all of the following requirements are met:

- ◆ The property is used by a member of the armed forces whose home of record is not in Washington (i.e., a nonresident member of the armed forces); and
- ◆ The person is stationed in Washington pursuant to military orders; and
- ◆ The property was acquired and used outside of Washington more than 90 days before the person entered this state. A nonresident member of the armed forces “enters this state” when he or she is both stationed and residing in this state.

Use tax exemption B—RCW 82.12.0266: A use tax exemption is available for the use of a motor vehicle or trailer if acquired and used by an active duty military person with a home of record in this state while stationed and residing outside of the state of Washington pursuant to military orders. This use tax exemption does not apply to members of the armed services called to active duty for training for periods of less than 6 months. Nor does it apply to the use of a motor vehicle or trailer acquired less than 30 days before discharge or release from active duty.

For more information on sales tax and use tax, please contact the Department of Revenue’s Taxpayer Information Center at 1-800-647-7706.

For information about licensing requirements and the other applicable fees that apply to military persons, contact the Washington State Department of Licensing’s Vehicle Services Division at (360) 902-3770 or a local vehicle licensing subagent listed in the yellow pages of the telephone book under License Services.

To inquire about the availability of this document in an alternate format for the visually impaired, please call (360) 486-2342. Teletype (TTY) users please call 1-800-451-7985.