

Senate Bill 453

Sponsored by Senator BEYER; Senators DEMBROW, MANNING JR, RILEY, Representative NEARMAN (at the request of former Senator Alan DeBoer) (Pre-session filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Clarifies that Oregon vehicle dealers selling or trading otherwise taxable motor vehicles to other Oregon vehicle dealers for resale are not liable for motor vehicle dealer privilege tax on such sales or trades. Provides that such vehicle dealers are exempt from requirement of obtaining resale certificate to prove sale or trade is exempt from privilege tax.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to transactions between Oregon vehicle dealers; creating new provisions; amending ORS
3 320.425; and prescribing an effective date.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 320.425 is amended to read:

6 320.425. (1) Notwithstanding ORS 320.405, a seller is not liable for the privilege tax with respect
7 to a taxable motor vehicle that is sold to:

8 (a) A purchaser who is not a resident of this state; or

9 (b) A business if the storage, use or other consumption of the taxable motor vehicle will occur
10 primarily outside this state.

11 (2) Notwithstanding ORS 320.405, a seller is not liable for the privilege tax with respect to an
12 otherwise taxable motor vehicle that is sold at an event that lasts less than seven consecutive days,
13 for which the public is charged admission and at which otherwise taxable motor vehicles are sold
14 at auction.

15 **(3) Notwithstanding ORS 320.405, a vehicle dealer as defined in ORS 320.400 (8)(a)(A) is**
16 **not liable for the privilege tax with respect to an otherwise taxable motor vehicle that is sold**
17 **or traded to another such vehicle dealer for resale.**

18 [(3)] **(4)(a)** Notwithstanding ORS 320.405 to 320.420, a resale certificate taken from a purchaser
19 ordinarily engaged in the business of selling taxable vehicles relieves the seller from the obligation
20 to collect and remit transportation project taxes. A resale certificate must be substantially in the
21 form prescribed by the Department of Revenue by rule.

22 **(b) Notwithstanding paragraph (a) of this subsection, a vehicle dealer as defined in ORS**
23 **320.400 (8)(a)(A) engaging in a sale or trade described in subsection (3) of this section is not**
24 **required to obtain a resale certificate from the other vehicle dealer in the transaction.**

25 **SECTION 2.** The amendments to ORS 320.425 by section 1 of this 2019 Act apply to
26 transactions described in ORS 320.425 (3) that become final on or after the effective date of
27 this 2019 Act.

28 **SECTION 3.** This 2019 Act takes effect on the 91st day after the date on which the 2019
29 regular session of the Eightieth Legislative Assembly adjourns sine die.

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

