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NEW VEHICLE SALE BY A DEALER

To issue a title for a new vehicle purchase, the title office needs the following documentation:

- 1) Manufacturer's Certificate of Origin (MCO) – The assignment on the back of the MCO must be filled in and signed by the dealer and notarized if the MCO originates in Ohio. If the MCO originates in another state, we will follow the laws of that state.
- 2) Application for Title – Must be completed and signed for the original certificate of title. Ohio law allows a deduction for a trade-in on a **new** vehicle. The amount given on trade will be deducted from the purchase price of the new vehicle. Sales tax will then be charged on the difference.
- 3) Exemption Form – If the vehicle is exempt from sales tax, the title office may need two (2) copies of the exemption form explaining the reason for exemption. Please refer to the taxation reference guide for further explanation of this requirement.
- 4) Federal Odometer Statement – completed by the buyer and the seller.
- 5) Power of Attorney (POA) – if applicable, this is necessary if the dealer is signing for the customer.
- 6) Liens – If a lien is to be recorded, the title office will need evidence of a secured interest acknowledged by all owners.

USED VEHICLE SALE BY A DEALER

To issue a title on a used vehicle, the title office needs the following documentation:

- 1) Ohio Title – with both the assignment and the application on the back of the title completed, signed, and the assignment notarized. Sales tax will be collected if due.
- 2) Exemption Form – If the vehicle is exempt from tax, the title office may need two (2) copies of the exemption form explaining the reason for exemption. Please refer to the taxation reference guide for further explanation of this requirement.
- 3) Federal Odometer Statement – completed by the buyer and the seller.
- 4) Power of Attorney (POA) – If applicable, this is necessary if the dealer is signing for the customer.
- 5) Liens – If a lien is to be recorded, the title office will need evidence of a secured interest acknowledged by all owners.

DAILY RENTAL

Daily rental is the renting of vehicles for less than 30 days. To obtain a “Daily Rental” title, you must have a vendor number for the county where the business is located. If the business has more than one location, each location will have its own vendor’s license number. A vendor’s license is obtained from the county Auditor’s office. The Wood County Auditor’s phone number is listed under “Useful Phone Numbers” in the front section of this manual.

Daily rental and leasing are not the same. The leasing “LD#” can never be used for a daily rental title; they are two different businesses.

Daily rental titles may not be transferred for 90 days from the date the title was issued.

**DEALER TRANSFER OF AN ELECTRONIC OHIO TITLE TO THEIR
DEALERSHIP**

BMV form 3772 can be used to transfer an electronic title to a licensed Ohio motor vehicle dealer.

DEALER SALE TO A NON-RESIDENT OF OHIO

The following is necessary for this type of a sale:

- 1) Follow the normal procedures for dealer sales;
- 2) Complete two (2) copies of the affidavit regarding a sale to an out-of-state resident. Send both copies to the title office along with the title work.

**EXPORTING – DEALER SELLING TO A RESIDENT OF ANOTHER
COUNTRY**

The following procedures are necessary for exporting:

- 1) The dealer must obtain a title for the customer. The customer must pay sales tax.
- 2) The customer must submit the title to the Bureau of Motor Vehicles to obtain an export certificate.

Note: The Bureau of Motor Vehicles will not issue the export certificate from a Manufacturer's Certificate of Origin.

DEALER SALE OF INCOMPLETE VEHICLES WITH SECOND STAGE CONVERSIONS

In order to sell these types of vehicles, a dealer must be franchised to sell either the chassis or the conversion.

To issue a title for a new vehicle purchase of this type, the title office will need the following:

- 1) The Manufacturer's Certificate of Origin (MCO) for both the chassis and for the conversion.
 - a) The assignment on the back of both MCOs must be filled in, signed by the dealer, and notarized if the MCO originates in Ohio. If the MCO originates in another state, the title office will follow the laws of that state.
 - b) Both MCOs must be assigned to the buyer.
- 2) Application for Title – Must be completed for the original certificate of title and signed.
 - a) The serial number will be that of the chassis.
 - b) The make will be that of the chassis.
 - c) The year of the vehicle will be the year of the chassis.
 - d) Ohio law allows a deduction for a trade-in on a new vehicle. The amount given on trade will be deducted from the purchase price of the new vehicle. Sales tax will then be charged on the difference.
- 3) Exemption Form – If the vehicle is exempt from sales tax, the title office may need two (2) copies of the exemption form explaining the reason for exemption. Please refer to the taxation reference guide for further explanation of this requirement.
- 4) Federal Odometer Statement – completed by the buyer and the seller.
- 5) Power of Attorney (POA) – If applicable, this is necessary if the dealer is signing for the customer.
- 6) Liens – If a lien is to be recorded, the title office will need evidence of a secured interest acknowledged by all owners.

Manufactured Home Titling Requirements

New Manufactured Home Sale by a Dealer

Used Manufactured Home Sale by a Dealer

Dealer Transfer of an Electronic Ohio Title to Their Dealership

NEW MANUFACTURED HOME SALE BY A DEALER

To issue a title for a new manufactured home purchase, the title office will need the following documentation:

- 1) Manufacturer's Certificate of Origin (MCO) - The assignment on the back of the MCO must be filled in, signed by the dealer, and notarized if the MCO originates in Ohio. If the MCO originates in another state, the title office will follow the laws of that state.
- 2) Application for Title – must be completed and signed for the original certificate of title.
- 3) Power of Attorney (POA) – if applicable, this is necessary if the dealer is signing for the customer.
- 4) Liens – if a lien is to be recorded the title office will need the evidence of a secured interest acknowledged by all owners.

USED MANUFACTURED HOME SALE BY A DEALER

To issue a title on a **used** manufactured home, the title office needs the following documentation:

- 1) Ohio Title – with both assignment and application on the back of the title completed, signed, and the assignment notarized.
- 2) Power of Attorney – if applicable, this is necessary if the dealer is signing for the customer.
- 3) Transfer Stamps – must be stamped on the face of the title by the Treasurer and Auditor of the county in which the manufactured home is located. These stamps indicate that the taxes are current and the home has been registered.
- 4) Liens – if a lien is to be recorded the title office will need evidence of a secured interest acknowledged by all owners.

Motor Vehicle Lease Dealer Titling Requirements

Leasing Permits and Requirements

New Vehicle Lease by a Dealer

Dealer Transfer of an Electronic Ohio Title to Their Dealership

LEASING PERMITS AND REQUIREMENTS

Ohio Leasing Company Procedures

The leasing company retains ownership but leases the vehicle to a specific person or company for longer than 30 days.

Leasing companies located and operating in the state of Ohio must have a leasing permit number (LDXXXXXX) and a vendor's number. Remember, the leasing company is the owner.

Leasing permits (LDXXXXXX) are assigned a specific name and address. All papers must correspond with the LD# given. The title office cannot change a name or address relating to a LD#. Any changes of name or address must be done by the Leasing-Permit division of the Bureau of Motor Vehicles in Columbus. Lease titles may not be transferred for 90 days from the date the title was issued.

An Ohio LD# can only be used for a vehicle that is leased by an Ohio resident.

Out-of-State Leasing Company Procedures

Leasing companies located outside the state of Ohio, and leasing more than five (5) vehicles per year in the state of Ohio, must obtain an Ohio LD#. Remember that the leasing company is the owner.

Leasing companies that are located outside the state of Ohio and lease less than five (5) vehicles per year to Ohio residents, must obtain a Tax Account ID# beginning with 99. These leasing companies will use out-of-state leasing permit numbers when making application for title.

NEW VEHICLE LEASE BY A DEALER

To issue a title for a new vehicle lease, the title office needs the following documentation:

- 1) Manufacturer's Certificate of Origin (MCO) – the assignment on the back of the MCO must be filled in, signed by the dealer, and notarized if the MCO originates in Ohio. If the MCO originates in another state, the title office will follow the laws of that state.
- 2) Application for Title – must be completed and signed for the original certificate of title.
- 3) Federal Odometer Statement – completed by the buyer and the seller.
- 4) Power of Attorney (POA) – if applicable, this is necessary if the dealer is signing for the customer.
- 5) Liens – if a lien is to be recorded, the title office will need evidence of a secured interest acknowledged by all owners.

Note: If the lien holder and the leasing company are the same, we will just note the leasing dealer on the title as owner without placing a lien.

- 6) Leasing Permit Number – please see leasing permits and requirements on the previous page for further explanation of this requirement.

Recreational Dealer Titling Requirements

New Motor Home Sale by a Dealer

Used Motor Home Sale by a Dealer

New Camping Trailer Sale by a Dealer

Used Camping Trailer Sale by a Dealer

Dealer Transfer of an Electronic Ohio Title to Their Dealership

NEW MOTOR HOME SALE BY A DEALER

To issue a title for a new motor home purchase, the title office needs the following documentation:

- 1) Two Manufacturer's Certificates of Origin (MCO) – one for the chassis and one for the conversion. Both vehicle identification numbers must match, and both must be assigned to the purchaser. The assignment on the back of the MCO must be filled in, signed by the dealer, and notarized if the MCO originates in Ohio. If the MCO originates in another state, the title office will follow the laws of that state.
- 2) Application for Title – must be completed and signed for the original certificate of title. Ohio law allows a deduction for a trade-in on a new vehicle. The amount given on trade will be deducted from the purchase price of the new vehicle. Sales tax will then be charged on the difference.
 - a) The body code will read (MH) motor home on the title;
 - b) The make will be the manufacturer of the conversion (i.e.: Winnebago, Midas, etc.);
 - c) The year will be the year of the conversion (MCO).
- 3) Exemption Form – if the vehicle is exempt from sales tax, the title office may need two (2) copies of the exemption form explaining the reason for exemption. Please refer to the taxation reference guide for further explanation of this requirement.
- 4) Federal Odometer Statement – completed by the buyer and the seller.
- 5) Power of Attorney (POA) – if applicable, this is necessary if the dealer is signing for the customer.
- 6) Liens – if a lien is to be recorded, the title office will need evidence of a secured interest acknowledged by all owners.

USED MOTOR HOME SALE BY A DEALER

To issue a title on a used motor home, the title office needs the following documentation:

- 1) Ohio Title – both the assignment and the application on the back of the title must be completed, signed, and the assignment notarized. Sales tax will be collected if due.
- 2) Exemption Form – if the vehicle is exempt from tax, the title office may need two (2) copies of the exemption form explaining the reason for exemption. Please refer to the taxation reference guide for further explanation of this requirement.
- 3) Federal Odometer Statement – completed by the buyer and the seller.
- 4) Power of Attorney (POA) – if applicable, this is necessary if the dealer is signing for the customer.
- 5) Liens – if a lien is to be recorded, the title office will need evidence of a secured interest acknowledged by all owners.

NEW CAMPING TRAILER SALE BY A DEALER

To issue a title on a new camping trailer purchase, the title office needs the following documentation:

- 1) Manufacturer's Certificate of Origin (MCO) – the assignment on the back of the MCO must be filled in, signed by the dealer, and notarized if the MCO originates in Ohio. If the MCO originates in another state, the title office will follow the laws of that state.
- 2) Application for Title – must be completed and signed for the original certificate of title. Ohio law allows a deduction for a trade-in on a new vehicle. The amount given on trade will be deducted from the purchase price of the new vehicle. Sales tax will then be charged on the difference.
- 3) Exemption Form – if the vehicle is exempt from tax, the title office may need two (2) copies of the exemption form explaining the reason for exemption. Please refer to the taxation reference guide for further explanation of this requirement.
- 4) Power of Attorney (POA) – if applicable, this is necessary if the dealer is signing for the customer.
- 5) Liens – if a lien is to be recorded, the title office will need evidence of a secured interest acknowledged by all owners.

USED CAMPING TRAILER SALE BY A DEALER

To issue a title on a used camping trailer, the title office needs the following documentation:

- 1) Ohio Title – both the assignment and the application on the back of the title must be completed, signed, and the assignment notarized. Sales tax will be collected if due.
- 2) Exemption Form – if the vehicle is exempt from tax, the title office may need two (2) copies of the exemption form explaining the reason for exemption. Please refer to the taxation reference guide for further explanation of this requirement.
- 3) Power of Attorney (POA) – if applicable, this is necessary if the dealer is signing for the customer.
- 4) Liens – if a lien is to be recorded, the title office will need evidence of a secured interest acknowledged by all owners.

Tractor & Semi-Trailer Titling Requirements

Trailer and Semi-Trailer Titling Requirements

New Tractor (Semi-truck) Sale by a Dealer

Used Tractor (Semi-truck) Sale by a Dealer

New Trailer or Semi-trailer Sale by a Dealer

Used Trailer or Semi-trailer Sale by a Dealer

Dealer Transfer of an Electronic Ohio Title to Their Dealership

TRAILER AND SEMI-TRAILER TITLING REQUIREMENTS

All trailers and semi-trailers with weight that exceeds four thousand pounds must be titled.

NEW TRACTOR (SEMI-TRUCK) SALE BY A DEALER

To issue a title on a new tractor (semi-truck) purchase, the title office needs the following documentation:

- 1) Manufacturer's Certificate of Origin (MCO) – the assignment on the back of the MCO must be filled in, signed by the dealer, and notarized if the MCO originates in Ohio. If the MCO originates in another state, the title office will follow the laws of that state.
- 2) Application for Title – must be completed and signed for the original certificate of title. Ohio law allows a deduction for a trade-in on a new vehicle. The amount given on trade will be deducted from the purchase price of the new vehicle. Sales tax will then be charged on the difference.
- 3) Exemption Form – if the vehicle is exempt from tax, the title office may need two (2) copies of the exemption form explaining the reason for exemption. Please refer to the taxation reference guide for further explanation of this requirement.
- 4) Odometer Statement – completed by the buyer and the seller.
- 5) Power of Attorney (POA) – if applicable, this is necessary if the dealer is signing for the customer.
- 6) Liens – if a lien is to be recorded, the title office will need evidence of a secured interest acknowledged by all owners.

USED TRACTOR (SEMI-TRUCK) SALE BY A DEALER

To issue a title on a used tractor (semi-truck), the title office needs the following documentation:

- 1) Ohio Title – both the assignment and the application on the back of the title must be completed, signed, and the assignment notarized. Sales tax will be collected if due.
- 2) Exemption Form – if the vehicle is exempt from tax, the title office may need two (2) copies of the exemption form explaining the reason for exemption. Please refer to the taxation reference guide for further explanation of this requirement.
- 3) Odometer Statement – completed by the buyer and the seller.
- 4) Power of Attorney (POA) – if applicable, this is necessary if the dealer is signing for the customer.
- 5) Liens – if a lien is to be recorded, the title office will need evidence of a secured interest acknowledged by all owners.

NEW TRAILER OR SEMI-TRAILER SALE BY A DEALER

To issue a title on a new trailer or semi-trailer purchase, the title office needs the following documentation:

- 1) Manufacturer's Certificate of Origin (MCO) – the assignment on the back of the MCO must be filled in, signed by the dealer, and notarized if the MCO originates in Ohio. If the MCO originates in another state, the title office will follow the laws of that state.
- 2) Application for Title – must be completed and signed for the original certificate of title. Ohio law allows a deduction for a trade-in on a new trailers and semi-trailers. The amount given on trade will be deducted from the purchase price of the new vehicle. Sales tax will then be charged on the difference.
- 3) Exemption Form – if the trailer or semi-trailer is exempt from tax, the title office may need two (2) copies of the exemption form explaining the reason for exemption. Please refer to the taxation reference guide for further explanation of this requirement.
- 4) Power of Attorney (POA) – if applicable, this is necessary if the dealer is signing for the customer.
- 5) Liens – if a lien is to be recorded, the title office will need evidence of a secured interest acknowledged by all owners.

USED TRAILER OR SEMI-TRAILER SALE BY A DEALER

To issue a title on a used trailer and semi-trailer, the title office needs the following documentation:

- 1) Ohio Title – both the assignment and the application on the back of the title must be completed, signed, and the assignment notarized. Sales tax will be collected if due.
- 2) Exemption Form – if the vehicle is exempt from tax, the title office may need two (2) copies of the exemption form explaining the reason for exemption. Please refer to the taxation reference guide for further explanation of this requirement.
- 3) Power of Attorney (POA) – if applicable, this is necessary if the dealer is signing for the customer.
- 4) Liens – if a lien is to be recorded, the title office will need evidence of a secured interest acknowledged by all owners.

Watercraft Dealer Titling Requirements

New Watercraft Sale by a Licensed Ohio Dealer

Used Watercraft Sale by a Licensed Ohio Dealer Located in Ohio

Used Watercraft Sale by a Licensed Ohio Dealer Located Outside Ohio

Dealer Transfer of an Electronic Ohio Title to Their Dealership

NEW WATERCRAFT SALE BY A LICENSED OHIO DEALER

To issue a title for a new watercraft purchase, the title office needs the following documentation:

- 1) Manufacturer's Statement of Origin (MCO) – properly assigned and notarized (if required by the seller's state). If an outboard motor is also purchased, that MCO must also be assigned and notarized (if required by the seller's state).
- 2) Application for Certificate of Title to a Watercraft or Outboard Motor – must be filled out completely and signed.
- 3) Bill of Sale – Must show a separate price for the boat, motor, and accessories, if applicable. The purchase price of the accessories and/or trailer will be added to the purchase price of the boat for the accurate taxable price.
- 4) Power of Attorney (POA) – (if applicable), this is necessary if the dealer is signing for the customer.
- 5) Liens – if a lien is to be recorded, the title office will evidence of a secured interest acknowledged by all owners.
- 6) Exemption Form – if the vehicle is exempt from sales tax, the title office may need two (2) copies of the exemption form explaining the reason for exemption. Please refer to the taxation reference guide for further explanation of this requirement.

Sales Tax Charged

The purchaser must pay sales tax if due on the purchase price at the time of transfer.

Ohio law allows that if a purchaser has a trade-in on a new watercraft if purchased from a licensed Ohio Watercraft Dealer, the amount given on trade will be deducted from the purchase price of the watercraft and Ohio sales tax will be charged on the difference.

Penalty Assessed on Titles Not Transferred Within Thirty Days of Purchase

The law requires the buyer to transfer the title within thirty (30) days of the purchase or pay a \$5.00 penalty. The purchase date is the date the title was assigned to the buyer.

USED WATERCRAFT SALE BY A LICENSED OHIO DEALER LOCATED IN OHIO

To issue a title for a used watercraft purchase, the title office needs the following documentation:

- 1) Ohio Title(s) – (boat, outboard motor) assignment and application on back of title(s) completed, signed, and the assignment notarized. **Ohio law requires all watercraft to have a 12-digit serial number prior to title transfer.**
- 2) Power of Attorney (POA) – if applicable, this is necessary if the dealer is signing for the customer.
- 3) Liens – if a lien is to be recorded, the title office will need evidence of a secured interest acknowledged by all owners.
- 4) Exemption Form – if the vehicle is exempt from sales tax, the title office may need two (2) copies of the exemption form explaining the reason for exemption. Please refer to the taxation reference guide for further explanation of this requirement.

Sales Tax Charged

The purchaser must pay sales tax if due on the purchase price at the time of transfer.

Ohio law allows that if a purchaser has a trade-in on a used watercraft purchased from a licensed Ohio Watercraft Dealer, the amount given on trade be deducted from the purchase price of the watercraft and Ohio sales tax will be charged on the difference.

Penalty Assessed on Titles Not Transferred Within Thirty Days of Purchase

The law requires the buyer to transfer the title within thirty (30) days of the purchase or pay a \$5.00 penalty. The purchase date is the date the title was assigned to the buyer.

**USED WATERCRAFT SALE BY A LICENSED OHIO DEALER
LOCATED OUTSIDE OHIO**

To issue a title for a used watercraft purchase, the title office needs the following documentation:

- 1) Ohio Title– assignment and application on the back of the title(s) completed, signed, and the assignment notarized. **Ohio law requires all watercraft to have a 12-digit serial number prior to title transfer.**
- 2) Power of Attorney (POA) – if applicable, this is necessary if the dealer is signing for the customer.
- 3) Liens – if a lien is to be recorded, the title office will need evidence of a secured interest acknowledged by all owners.
- 4) Exemption Form – if the vehicle is exempt from sales tax, the title office may need two (2) copies of the exemption form explaining the reason for exemption Please refer to the taxation reference guide for further explanation of this requirement.

Sales Tax Charged

The purchaser must pay sales tax if due on the purchase price at the time of transfer.

Ohio law allows that if a purchaser has a trade-in on a used watercraft purchased from a licensed Ohio Watercraft Dealer, the amount given on trade be deducted from the purchase price of the watercraft and Ohio sales tax will be charged on the difference.

Penalty Assessed on Titles Not Transferred Within Thirty Days of Purchase

The law requires the buyer to transfer the title within thirty (30) days of the purchase or pay a \$5.00 penalty. The purchase date is the date the title was assigned to the buyer.

**DEALER TRANSFER OF AN ELECTRONIC OHIO TITLE TO THEIR
DEALERSHIP**

BMV form 3772 can be used to transfer an electronic title to a licensed Ohio watercraft dealer.

Lien Holder Reference Guide

Recording a Lien Electronically

Recording a Lien Manually

New and Used Purchase from a Dealer

Liens on Out-of-State Titles

Transfer of Equity

Substitution of Collateral

Repossession Title

Cancellation of a Lien Electronically

Cancellation of a Lien Manually

Pawnbroker Affidavit

RECORDING A LIEN ELECTRONICALLY

To record a lien electronically on an Ohio title, you will need to do the following:

- 1) Become an electronic lien holder- this process is done by contacting the Bureau of Motor Vehicles in Columbus at 614-752-7671 and becoming a registered electronic lien holder.
- 2) Submit your liens electronically- you will receive confirmation back that your work has been processed. You will not receive a physical title unless you request one.

RECORDING A LIEN MANUALLY

To record a lien on an Ohio title, the original title and evidence of a secured interest acknowledged by all owners need to be presented to the title office.

Information Needed on a Security Agreement if You Want Us to Stamp Your Copy

- 1) The name and address of the lender and the borrower needs to be on the loan agreement.
- 2) The description of the vehicle or watercraft on the title must match the description in the loan agreement.
- 3) The loan agreement needs to show complete description, including year, make, model, and serial number.
- 4) The name or names of the purchaser on the title must also be on the loan agreement, but it is not necessary for all the names on the loan agreement to be on the title.
- 5) The security agreement must state the owner is giving a secured interest in the vehicle or giving the vehicle as collateral.

The owner or owners listed on the title are required to sign the loan agreement. The loan agreement should not list any other collateral that is not titled.

The title office will record the lien on the title, and stamp the loan papers with a date stamp if they are presented and complete, and return both to the lender.

Additional Liens on a Vehicle or Watercraft

In the Automated Title Processing System (ATPS), an additional lien recording also means a new title is charged for and issued. The original title will be deactivated by the system and kept with its file, while the new title will be the only “good” title on that vehicle or watercraft. It is possible to have more than one lien on a title, but only two will print on the face of the title. Additional liens can be noted in the system and the words “additional liens exist” will appear on the bottom of the title. Ohio law provides that when a lien is noted on the face of a title, the title shall be **returned** to the first lien holder.

Memorandum Certificate of Title

The memorandum certificate (white copy) can be applied for by marking the proper box on the ATPS title or by completing the separate application for memorandum.

If one is applying for a loan using the vehicle or watercraft as collateral, always insist on applying for a memorandum certificate of title (white copy). This memorandum enables the

vehicle or watercraft owner to conveniently obtain license plates; however, ownership of the vehicle or watercraft cannot be transferred on a memorandum title.

NEW AND USED PURCHASE FROM A DEALER

Dealers most often arrange financing for their customers. They forward the title and evidence of a secured interest acknowledged by all owners to the title office. The title office will transfer the title and record the lien at the same time.

LIENS ON OUT-OF-STATE TITLES

When transferring an out-of-state title with a lien to Ohio, the title office will need evidence of a secured interest acknowledged by all owners.

The title office will record the lien on the Ohio title, and return the title to the lien holder

A memorandum title will be issued to the customer so they may obtain license plates. The memorandum title cannot be used to sell the vehicle.

TRANSFER OF EQUITY

A transfer of equity occurs when ownership is being transferred on a vehicle or watercraft that has an open lien against it. The seller assigns the title, with the lienholder's permission, to the purchaser the same as any transfer. The lien holder then submits the original security agreement signed by both parties or a transfer of equity form with the original security agreement, and the assigned title to the Clerk of Courts. The lien is not released by the lienholder.

Another type of transfer of equity is in the case where the lienholder sells their interest to another party. With detailed evidence of the loan sale, the title will be replaced showing the new lienholder's name and address.

SUBSTITUTION OF COLLATERAL

A substitution of collateral occurs when the owner of a vehicle or watercraft under mortgage wishes to substitute one vehicle or watercraft for another as collateral with the lienholder's permission. The lien should be canceled on the title for the original vehicle or watercraft and noted on the new one. The original security agreement and a substitution of collateral affidavit must be presented to the title office along with the new title or manufacturer's certificate of origin.

REPOSSESSION TITLE

To issue a repossession title the application portion of the back of the title must be completed, signed by the lending institution and notarized. An applicant's odometer affidavit and the original record stamped copy of the security agreement must accompany the title. The repossession title must be issued in the name of the lienholder appearing on the face of the title. If the lienholder is a licensed dealer, they must first obtain a repossession title in the dealer's name. They are then required to apply for a resale title before selling the vehicle or watercraft.

CANCELLATION OF LIENS ELECTRONICALLY

To cancel your liens electronically, you will need to do the following:

- 1) Become an electronic lien holder- this process is done by contacting the Bureau of Motor Vehicles in Columbus at 614-752-7671 and becoming a registered electronic lien holder.
- 2) Cancel your liens electronically- you will receive confirmation that your work has been processed.

CANCELLATION OF LIENS MANUALLY

When an owner of a motor vehicle or watercraft pays off the loan on their vehicle or watercraft, the lien holder should sign off the lien and send notice to the title office for record cancellation or provide the owner with a termination of lien statement. A termination statement must include the year, make, and serial number and a signed statement that the lien holder no longer holds an interest in the vehicle or watercraft. The title office can accept faxed copies of termination statements. The lien holder should then return the title to the customer.

PAWNBROKER AFFIDAVIT

The Pawnbroker Affidavit is used by a licensed pawnbroker to obtain title when the owner of a motor vehicle, watercraft, or outboard motor is in default of their repayment to the pawnbroker under the terms on the Pawn Form. The owner must be at least two months behind in their repayment before the pawnbroker can attempt to get a title to the vehicle.

The pawnbroker must notify the owner by mail, with proof of mailing, of the possible forfeiture of the motor vehicle, watercraft, or outboard motor. The owner has 30 days from the date the notice was mailed to redeem the item.

The pawnbroker may obtain title by submitting the following documentation to the title office:

- 1) the top copy of the completed Pawnbroker Affidavit;
- 2) a copy of the Pawn Form;
- 3) the U.S. Postal receipt showing the date of mailing notification to the owner;
- 4) the certificate of title (active with no open liens);
- 5) an application for title with **Resale-Repossession** for tax exemption;
- 6) an applicant's odometer affidavit.

A clear title will be issued to the pawnbroker.

Please note- A pawnbroker may have a **lien noted** on the motor vehicle, watercraft, or outboard motor by submitting the title and the completed Pawnbroker Affidavit. A lien replacement title and a lien notation would be issued.

Law Enforcement Reference Guide for Unclaimed, Salvage, and Abandoned Vehicles and Watercraft

Law Enforcement – Unclaimed and Abandoned Junk Motor Vehicle Affidavit (BMV form 3701)

Requirements for Restoration of a Salvage Vehicle for Highway Use

Salvage Watercraft

Abandoned Watercraft Left on Public or Private Property to be Handled by Law Enforcement

Law Enforcement Procedures for Abandoned Watercraft to be Sold at Auction

Law Enforcement Procedures for Abandoned Watercraft Assigned to a Marine Salvage Facility

Law Enforcement Procedures for Destruction of Junk Abandoned Watercraft or Outboard Motor

Property Owner Procedures for Abandoned Watercraft or Outboard Motor Left on Private Property

**LAW ENFORCEMENT – UNCLAIMED AND ABANDONED JUNK
MOTOR VEHICLE AFFIDAVIT (BMV FORM 3701)**

If a vehicle is left unclaimed on private or public property or abandoned as junk on private or public property for a least 48 hours, the vehicle can be ordered impounded by law enforcement. The law enforcement agency then submits BMV for 3701-Unclaimed and Abandoned Junk Motor Vehicle Affidavit to the BMV in Columbus, Ohio.

Under section 4513.63, the affidavit need not be processed through the BMV if the affidavit is completed in accordance with this section. The affidavit can only be assigned from the law enforcement agency to a licensed salvage dealer or scrap metal processor, as defined by Chapters 4737 or 4738 of the Ohio Revised Code. In this instance a title is not issued.

Upon return of the affidavit, the law enforcement agency shall notify the owner and/or lienholder by certified mail, return receipt requested, stating the location of the vehicle. If the owner or lienholder does not respond within **ten (10) days**, ownership shall be forfeited and the lien shall be invalid.

If the vehicle is sold, the law enforcement office shall complete the assignment at the bottom of BMV form 3701. Upon presentation of the completed BMV 3701 showing compliance with all requirements, the Clerk of Courts shall issue a **salvage title**, only. The applicant's odometer reading disclosure statement and the application for salvage title will be completed and notarized at the title office (if needed).

Under Section 4513.60 or Section 4513.61: the affidavit can be assigned to a salvage dealer, scrap metal processor or other facility under contract to the city or county for disposal. Salvage dealers or scrap metal processors need not obtain a salvage title in their own name if the vehicle is dismantled or destroyed within ten (10) days. The law enforcement agency may also obtain a **salvage title** and dispose of the vehicle to a salvage dealer, scrap metal processor, or other facility under contract to the city or county for disposal, or sell the vehicle at a public auction. (Section 4513.62).

MOTOR VEHICLE SALVAGE TITLES

A salvage vehicle is any vehicle that is dismantled, destroyed or changed in such a manner that it loses its character as a motor vehicle; or changed in such a manner that it is not the motor vehicle as described on the certificate of title.

A certificate of title that is to be replaced by a salvage title must have all liens discharged and canceled. **A salvage title can carry a notation of lien.**

A salvage dealer must make application for and obtain a salvage title in their name before offering the vehicle for resale. When a title is assigned to a salvage dealer, the salvage dealer is not required to apply for an Ohio title if the dealer dismantles or destroys the vehicle. To do this, the salvage dealer completes the assignment on the title, indicates their motor vehicle salvage dealer license number, marks "FOR DESTRUCTION" across the face of the title and surrenders the title to the title office.

Insurance Company Declares Vehicle "Total Loss"

When an insurance company declares a vehicle a total loss and pays the agreed price for the purchase of the vehicle to a claimant, the insurance company must obtain a salvage certificate of title within thirty (30) days. The insurance company shall assign the salvage title to a salvage dealer or any other person for use of evidence of ownership for sale or disposition of the vehicle. If the insurance company determines the vehicle to be impossible to restore for use on the highway, they shall mark the face of the title "FOR DESTRUCTION," and deliver a photocopy of the title to the salvage dealer or scrap metal processing facility for its records. The insurance company must surrender the original certificate of title marked "FOR DESTRUCTION" to the title office.

Insurance Company Declares Vehicle "Impractical to Repair"

If the insurance company declares the vehicle impractical to repair, the original owner may retain the vehicle but the owner must obtain a salvage title in their name to receive a settlement from the insurance company. This vehicle, now titled as "salvage," can no longer be operated on the highways.

The customer may bring to the title office the title and identification. An application for salvage title will be completed and notarized at the title office, if necessary.

A new or used car dealer may take title to a salvage vehicle and sell it wholesale but must make the vehicle road worthy before offering the vehicle for resale to an individual.

REQUIREMENTS FOR RESTORATION OF A SALVAGE VEHICLE
FOR HIGHWAY USE

An application for inspection of the restored vehicle (HP105A) can be purchased at any license bureau. The vehicle can then be inspected by the Ohio Highway Patrol with appointment.

For issuance of a title to a restored vehicle or a rebuilt salvage vehicle, the title office requires the following documentation:

- 1) The completed inspection report (HP106) – along with bills of sale listed on the inspection form.
- 2) Applicant's Odometer Statement – completed and notarized. Please refer to page 7, in the [Motor Vehicle General Section] of this booklet for further explanation of this requirement.

If necessary, an application for title will be completed and notarized at the title office.

SALVAGE WATERCRAFT

Salvage titles are not issued to insurance companies when the title is transferred in the settling of a claim on a watercraft. The only instance where a watercraft salvage title is issued is when a law enforcement agency impounds a watercraft or outboard motor. After the title office performs a title record check, an unclaimed affidavit is sent by the Division of Natural Resources to the law enforcement agency. The law enforcement agency must complete the affidavit. The law enforcement agency can either destroy the watercraft, obtain a salvage title in order to sell it at auction, or assign the affidavit to a marine salvage dealer. If the law enforcement agency elects to sell the watercraft or outboard motor at public auction, the agency must apply for a salvage title on the basis of the affidavit and a salvage title will be issued.

If the law enforcement agency elects to assign ownership to a marine salvage dealer, the bottom of the affidavit must be completed. If the marine salvage dealer intends to sell the watercraft, the dealer must apply for a salvage title through their county title office.

If a salvage title is then assigned to a purchaser, a new certificate of title will be issued replacing the salvage title. This transaction is handled as a regular transfer, an original title is issued and no inspection forms are required.

Ohio law requires all watercraft to have a 12-digit serial number prior to title transfer.

**ABANDONED WATERCRAFT LEFT ON PUBLIC OR PRIVATE PROPERTY
TO BE HANDLED BY LAW ENFORCEMENT**

A watercraft or outboard motor is considered abandoned on private property if it is left for more than 72 hours without the permission of the property owner or it is left at a marina for longer than the specified time agreed upon.

The property owner must submit a complaint to law enforcement after the watercraft or outboard motor is considered abandoned.

A watercraft or outboard motor is considered abandoned on public property if it is sunken, beached, drifting and left for any period of time, or it is left on public property for more than 48 hours.

Law enforcement procedures for watercraft abandoned on public and private property:

- 1) A law enforcement agency may order the watercraft or outboard motor put into storage or may have it removed by a private towing company.
- 2) If the owner claims the watercraft or outboard motor during its removal, they can be charged not more than half the cost of the tow, and must remove the watercraft or outboard motor immediately.
- 3) If the owner claims the watercraft or outboard motor after it has been towed and can prove ownership, the owner must pay the removal costs (not to exceed \$200.00) and storage costs (not to exceed \$5.00 per each 24 hours stored).
- 4) If the watercraft or outboard motor remains unclaimed for 30 days, an unclaimed affidavit is submitted by the law enforcement agency to the Division of Watercraft in Columbus. The Division of Watercraft will search their records for ownership and return their findings to the law enforcement agency
- 5) The law enforcement agency sends notice to any owners or lienholders of record by certified mail, return receipt requested, notifying them of the agency's intent to dispose of the watercraft or outboard motor. Ten days after the notice is sent, the law enforcement agency will advertise in a newspaper of general circulation, once a week for two consecutive weeks of their intent to dispose of the watercraft.
 - a) If the watercraft or outboard motor is not claimed after advertising in the newspaper, the law enforcement agency can do the following:
 - 1) Title the watercraft or outboard motor in their name and sell it at public auction.
 - 2) Assign the unclaimed affidavit to a marine salvage dealer.

Ohio law requires all watercraft to have a 12-digit serial number prior to title transfer.

**LAW ENFORCEMENT PROCEDURES FOR ABANDONED WATERCRAFT
TO BE SOLD AT AUCTION**

- 1) The law enforcement agency completes two copies of the “Unclaimed and Abandoned Junk Vessel and Outboard Motor Affidavit” and submits them to the title office in the county of storage. One copy stays with the evidence, the other copy is sent to the Division of Watercraft including the new assigned title number.
- 2) A salvage title, free of any liens, is issued to the law enforcement agency.
- 3) The watercraft or outboard motor is sold at auction and the title is assigned to the new owner.
- 4) When the title is transferred into the name of the purchaser, it is no longer a salvage title. No inspection is necessary.

Ohio law requires all watercraft to have a 12-digit serial number prior to title transfer.

**LAW ENFORCEMENT PROCEDURES FOR ABANDONED WATERCRAFT
ASSIGNED TO A MARINE SALVAGE FACILITY**

- 1) The law enforcement agency completes two copies of the “Unclaimed and Abandoned Junk Vessel and Outboard Motor Affidavit.” The law enforcement agency retains the original and gives two copies to the marine salvage facility.
- 2) If the watercraft or outboard motor is to be sold, the marine facility submits the affidavit to the county title office and a salvage title is issued, free of any liens, to the new purchaser.
- 3) If the watercraft or outboard motor qualifies to be destroyed (see below “Procedures for destruction of abandoned watercraft or outboard motors”), the marine salvage facility submits both copies of the affidavit to the county title office. The title office retains one copy for their evidence and sends the other to the Division of Watercraft.
- 4) The watercraft or outboard motor is then destroyed.

**LAW ENFORCEMENT PROCEDURES FOR DESTRUCTION OF JUNK
ABANDONED WATERCRAFT OR OUTBOARD MOTOR**

- 1) The watercraft or outboard motor must be considered abandoned – refer to page 4, “Watercraft or outboard motor is considered abandoned on public or private property.
- 2) All of the following must apply:
 - a) must be three years old or older;
 - b) must have excessive damage;
 - c) must appear to be inoperable;
 - d) must have a fair market value of \$200.00 or less.
- 3) The law enforcement agency must photograph and record a complete description of the watercraft or outboard motor, including any damage which will substantiate fair market value, then turn the watercraft or outboard motor over to a marine salvage facility for disposal.
- 4) The law enforcement agency makes a request for search of the Division of Watercraft records for the name and address of the owners or lienholder.
- 5) The law enforcement agency sends a notice to any owner or lienholder by certified mail, return receipt requested, of intent to dispose of the watercraft or outboard motor.
- 6) If the owner or lienholder claims the watercraft or outboard motor and proves ownership within 10 days, they must pay the expenses and remove the watercraft or outboard motor immediately.
- 7) If the watercraft or outboard motor is not claimed after 10 days, the law enforcement agency generates four copies of the “Unclaimed and Abandoned Junk Vessel and Outboard Motor Affidavit,” describing the watercraft or outboard motor, how it will be disposed of, and a statement that all laws have been followed.
- 8) The law enforcement agency retains one copy of the affidavit and submits the other three copies to the title office. The title office will retain one copy, send one copy to the Division of Watercraft, and send one copy to the marine salvage facility.
- 9) Upon receipt of the affidavit from the law enforcement agency, the marine salvage facility can destroy the watercraft or outboard motor.
- 10) The law enforcement agency must maintain their records of destruction for two years.

**PROPERTY OWNER PROCEDURES FOR ABANDONED WATERCRAFT OR
OUTBOARD MOTOR – LEFT ON PRIVATE PROPERTY**

- 1) The watercraft or outboard motor must be left on the property for six months without the owner's permission.
- 2) The property owner needs to request in writing a search of the records of the Division of Watercraft for the name and address of the last known owner or lienholder. They must state that the reason for such a request is to hold an auction to sell the abandoned watercraft or outboard motor, a fee of \$2.00 per search must accompany this request.
- 3) The Division of Watercraft will complete the search and return it to the property owner along with a copy of the law that explains the steps to be taken. The Division of Watercraft will also return, with their search, a list of watercraft appraisers in the property owner's county.
- 4) Upon receipt of the information from the search, the property owner must send notice to any owner or lienholder by certified mail, return receipt requested, the property owner must wait 45 days from the date of the return receipt for the owner or lienholder to respond.
- 5) After the waiting period of 45 days of return receipt, the property owner must obtain a written appraisal of the market value of the watercraft or outboard motor from a dealer that is licensed with the Division of Watercraft, or an independent marine appraiser. If the appraised value exceeds \$10,000.00, the property owner cannot proceed with the affidavit.
- 6) If the value is under \$10,000.00, the property owner must advertise in a newspaper of general circulation once a week for two consecutive weeks of their intent to sell the watercraft or outboard motor at auction. The advertisement must list a description of the watercraft or outboard motor. After advertising in the paper, the property owner can hold an auction.

The property owner must provide three copies of the 4585 affidavit; return receipts of service by certified mail, and the written appraisal to the purchaser. **Ohio law requires all watercraft to have a 12-digit serial number prior to title transfer.**

- 7) The purchaser will obtain title, free and clear of any liens, by presenting copies of the 4585 affidavit, return receipts, and the written appraisal. An application for title and a consumer tax form will be completed at the title office.
- 8) The title office retains one copy for their evidence, and forwards one copy to the Division of Watercraft.
- 9) Any monies in excess of costs must be paid to the county treasurer and held in deposit for one year. The owner or lienholder can assert claim to these proceeds during that year. After one year, any unclaimed monies are transferred to the county's general fund as "unclaimed".

Taxation Reference Guide

Sales Tax

Use Tax

Sales and Use Tax Forms

Tax Exemptions

Tax Exemptions – Quick Reference

Tax Exemptions – Detailed Explanations

Audit and Investigations

Refunds

Taxable Transactions

No Consideration Transactions

Definitions

SALES TAX

Collection of sales tax on the transfer of title of motor vehicles is the responsibility of each County Clerk of Courts of Common Pleas. The Clerk, except as otherwise provided, shall refuse to issue a Certificate of Title unless the vendor or applicant submits with the application, payment of the sales tax by cash, certified check, draft or money order, made payable to the Clerk of Courts, who shall issue a receipt reflecting payment of the tax and all title fees. Clerks may also accept corporate, business, or personal checks, credit cards, electronic transfer or wire transfer, debit card or any other accepted form of payment (Section 4505.06, Ohio Revised Code).

In the case of a sale by a dealer or vendor to a general purchaser or user, the dealer upon application signed by the purchaser (Section 4505.06 Ohio Revised Code) shall obtain the Certificate of Title in the name of the purchaser.

In the case of a sale of a motor vehicle by a non-vendor or dealer, the Clerk of Courts would be collecting sales tax from the purchaser/title applicant of the vehicle.

In addition to the collection of the Ohio sales tax, the clerk is responsible for collecting the county tax and/or any transit sales tax that applies.

USE TAX

The Ohio use tax was enacted to supplement the Ohio sales tax by imposing a like tax on the storage, use or consumption of tangible personal property in Ohio when purchased outside the state with the intended storage, use or consumption in the State of Ohio at the time of purchase. The same rules and policies apply to use tax and sales tax.

The Collection of Use Tax

The collection of use taxes is the responsibility of each county Clerk of Courts of Common Pleas. When the sale to the applicant for title to a motor vehicle was made in some other state than Ohio, or in interstate commerce, the clerk shall refuse to issue a Certificate of Title unless the applicant submits with the application, payment of use tax by cash, certified check, draft or money order payable to the clerk. Clerks by also accept corporate, business, or personal checks, credit cards, electronic transfer or wire transfer, debit cards or any other accepted form of payment (Section 4505.06, Ohio Revised Code).

In most instances the applicant for title will be the purchaser of the vehicle and must declare the amount paid when applying for the title. The purchase price may be shown by presenting an invoice or purchase order. When the tax is paid, the clerk will issue a receipt reflecting payment of the tax and all title fees.

There will be cases when an out-of-state seller, who has an account number (99xxxxxxx), will have the purchaser of the vehicle apply for and obtain title. In this event, the registered out-of-state seller who sold the vehicle should submit the tax through the applicant.

In addition to the Ohio use tax collected, the Clerk is responsible for collecting the county use tax and/or any transit use tax that applies.

Credit for Tax Paid to Another Jurisdiction

When it is determined that the Ohio use tax is due on the purchase of a motor vehicle a credit allowance shall be given for the amount of tax legally required to be paid to another state or jurisdiction. The amount of the credit allowance must be established by a bill of sale from the out-of-state dealership showing taxes paid, or a tax receipt from that state. When the amount of tax paid has been determined, it shall be deducted from the total Ohio use tax to be paid. If the credit exceeds or equals the Ohio use tax due, no additional tax payment shall be required.

SALES AND USE TAX FORMS

Form	Description of Form
ST 10	Ohio State, County and Transit Sales Tax Return
ST 185	Applications for Refund of Sales/Use Tax
ST 185-B	Supporting Schedule of Sales Tax Refund on Motor Vehicles
T 610	Consumer's Sales or Use Tax Return and Exemption Certificate
T 700	Remittance Advice (weekly report to Treasurer of State by the Clerk of Courts)
UT	Ohio Seller's Use Tax Return

TAX EXEMPTIONS

To prevent evasion of the tax, it is presumed that any motor vehicle titled in this State is subject to the tax until the contrary is established. The contrary is established if the application for title is accompanied by a properly completed exemption certificate, accepted in good faith, which sets forth the reason that the sale is not legally subject to the tax. Rule 5703-9-10, promulgated by the Tax Commissioner, pertains to sales and use tax on motor vehicles and prescribes the forms for use in claiming exemption of tax on motor vehicle sales.

When the purchaser makes a claim for exemption, the purchaser must indicate a reason for exemption and complete the prescribed exemption certificate or affidavit for the vendor or dealer. In the event of an individual transaction, or where the application for title is required to file a Consumer's Sales and Tax Return (Form T-610), there is a specific space on the form for indicating the reason for exemption.

TAX EXEMPTIONS – QUICK REFERENCE

(See detailed explanation of exemptions beginning on page 5 in numbered order)

✓ Denotes exemption certificate (2 copies) required by dealerships or T-610 tax form required by individuals.

- 1) All-purpose Vehicle_- Purchased prior to 7/1/1999
- 2) Commercial Fishing – Watercraft – Commercial Fishing License Required ✓
- 3) Church ✓
- 4) Conversion – Military (Purchased out-of-state for use out-of-state) ✓
- 5) Court Order Transfer with no Consideration
- 6) Consolidation ✓
- 7) Conversion – (Moving to Ohio)
- 8) Direct Use – Farming ✓
- 9) Direct Use – Mining ✓
- 10) Direct Use – Oil and Gas ✓
- 11) Direct Pay (Permit Number Required “98-xxxxxx”)
- 12) Research and Development ✓
- 13) Dissolution to Stockholder with no Consideration ✓
- 14) Divorce – Court Ordered Transfer with no Consideration
- 15) Federal Agency
- 16) Foreign Diplomat – Exemption Card Required ✓
- 17) Historical – Converted Yellow to APTS Title, No Change of Ownership
- 18) Resale – Insurance Claim
- 19) Inheritance with no Consideration, Include Surviving Spouse
- 20) Individual to Partnership with no Consideration ✓
- 21) Sale of a motor vehicle or watercraft in Interstate commerce form STEC IC or STEC WCIC needs to be completed ✓
- 22) Manufacturer Buy Back per Lemon Law
- 23) Manufactured Home Sold on or after January 1, 2000
- 24) Manufacturing Operation – i.e. Cement Mixer ✓
- 25) Corporate Merger with no Consideration ✓
- 26) Corporate Name Change ✓
- 27) Non-Profit Charitable ✓
- 28) Non-Resident Affidavit, Immediate Removal ✓
- 29) Sale of a motor vehicle or watercraft to an out-of-state dealer form STEC IC or STEC WCIC needs to be completed ✓
- 30) Off-Highway Motorcycle Purchased Prior to July 1, 1999
- 31) Partnership, Dissolution with no Consideration ✓
- 32) Non-Licensed, Production Transportation ✓
- 33) Direct Use in a Public Utility Service ✓
- 34) Resale – Demonstrator (Dealer Permit and Vendor License Required) ✓
- 35) Resale – Financial Institution Protecting its Loan
- 36) Resale – Implement/Equipment Dealer ✓
- 37) Resale – Leasing (Dealer Permit and Vendor License Required)
- 38) Re-manufacturing – Chassis or Part ✓
- 39) Resale – New/Used Dealer (Dealer Permit and Vendor License Required)
- 40) Resale – Out-of-state Leasing (Account Number Required “99xxxxxx”)

- 41) Redeemed – Repossession
- 42) Resale – Daily Rental (Vendor License Required)
- 43) Redeemed – Return Sale ✓
- 44) Resale – Watercraft (Vendor License Required) ✓
- 45) Resale – Wholesale Only ✓
- 46) Self - Assembled
- 47) State/Political Subdivision
- 48) Salvage – Resale (Salvage Dealer Permit and Vendor License Required)
- 49) Salvage – Wholesale (Salvage Dealer Permit Required)
- 50) Transfer on Death ✓
- 51) Highway Transportation for Hire (PUCO or ICC Permit Required) ✓
- 52) Transportation Services ✓
- 53) Unclaimed Vehicle by Affidavit
- 54) Undisturbed Mortgage ✓
- 55) Volunteer Fire Department – Contract Basis ✓
- 56) Warehousing – Not Licensed for Highway Use ✓
- 57) Watercraft (Personal) – Purchased prior to 1/1/2000

TAX EXEMPTIONS – DETAILED EXPLANATIONS

- 1) **All-purpose Vehicle** – Any all-purpose vehicle purchased Prior to July 1, 1999 is exempt from sales tax.
- 2) **Commercial Fishing – Watercraft – Commercial Fishing License Required** - Commercial Fishing Exemption: The Ohio Revised Code Section 5739.01 (E) (6), provides for an exemption from the definition of a “retail sale” where the purpose of the consumer is as follows: to use or consume the thing directly in commercial fishing. In prior cases, the board of Tax Appeals held that an individual is entitled to the exemption only if the individual is the holder of a commercial fishing license pursuant to Section 1533.342 of the Ohio Revised Code. Therefore, no sales tax would apply if the individual claiming exemption based on “commercial fishing”, can support the claim by evidence of a commercial fishing license.
- 3) **Church** – Sales to a church.
- 4) **Conversion Military (Purchased out of state for use out of state)** – The transfer of title to a motor vehicle that was purchased outside of Ohio for use outside of Ohio by a member of the Armed Forces. The title holder must be able to establish the fact that the vehicle has been or will be used outside of Ohio for at least six months after it is acquired.
- 5) **Court Order Transfer with no Consideration** - The transfer of title to a motor vehicle pursuant to a court order when there is no clear consideration.
- 6) **Consolidation** - The transfer of an asset of a corporation to the surviving corporation as a result of a merger or to a new corporation as a result of a consolidation.
- 7) **Conversion** - A resident of another state has purchased (not including rentals or leases) in their home state a motor vehicle for use in that state; but moves to Ohio. When this individual takes up residence in Ohio, and by law is required to title their vehicle in this state, they may do so without having to pay tax. They must prove to the satisfaction of the Clerk of Courts that the vehicle was purchased outside Ohio with intended use outside of this state.
- 8) **Direct Use – Farming** - Sale to a purchaser who uses the motor vehicle directly in farming, agriculture, horticulture, or floriculture; or directly in performing farming, agriculture, horticulture, or floriculture service. (Rule 5703-9-23) Ex. Trucks for primary use to grind feed for farmers. Ex. Trucks used directly in production on the premises (not for highway use)
- 9) **Direct Use – Mining** - Sale to a purchaser who uses the motor vehicle directly in production of tangible personal property for sale by mining. Used prior to the tipple or crusher, or in construction, operation and maintenance of private power lines to distribute electric energy for use in mining, whether licensed or not for highway use. (Rule 5703-9-33)

- 10) **Direct Use – Oil and Gas** - Sale to a purchaser who uses the motor vehicle directly in exploration for or production of crude oil or natural gas.
- 11) **Direct Pay** (Permit Number Required “98-xxxxxxx”) - A direct pay permit holder, in which case the direct pay number (98-xxxxxxx) will be recorded on the title.
- 12) **Research and Development** - This exemption applies when a motor vehicle is purchased for use in researching and/or developing a new product that may or may not be added to future motor vehicles as either optional or standard equipment. Generally, the purchaser is not a manufacturer of motor vehicles and is not acquiring the motor vehicle for resale or as part for incorporation into a product for sale by manufacturing.
- 13) **Dissolution to Stockholder with no Consideration** - The transfer of a motor vehicle from a corporation to one of its stock holders upon dissolution of the corporation.
- 14) **Divorce – Court Ordered Transfer with no Consideration** - Transfer of title pursuant to a divorce decree.
- 15) **Federal Agency** - The Federal Government or any agency thereof.
- 16) **Foreign Diplomat – Exemption Card Required** - A foreign diplomat may purchase a motor vehicle exempt from Ohio sales tax or use tax. The diplomat must be a holder of an exemption card issued by the U.S. Department of State that grants exemption for all state taxes on the purchase of motor vehicles and other items of tangible personal property. The exemption card indicates the extent of the exemption granted.
- 17) **Historical – Converted Yellow to ATPS Title, No Change of Ownership** - The transfer of a pre-ATPS (gold) title to an ATPS title without change of ownership.
- 18) **Resale – Insurance Claim** - Insurance Company taking title as result of a claim settlement, may use they term “resale-insurance claim.” **NOTE:** The Clerk must retain the evidence (i.e. court documents, Highway Patrol inspection report, etc.) in the evidence file. Insurance Company taking title as a result of a claim settlement may use the term “Resale-Insurance Claim.”
- 19) **Inheritance with no Consideration, Include Surviving Spouse** - Transfer of title to a beneficiary through inheritance in the administration of an estate by Probate Court.
- 20) **Individual to Partnership with no Consideration** - Transfer of title from an individual to a partnership, of which the individual is a member, only if no clear consideration is given by the partnership for the transfer.
- 21) **Sale of a motor vehicle or watercraft in Interstate commerce** – form STEC IC or STEC WCIC needs to be completed

- 22) **Manufacturer Buy Back per Lemon Law** – This applies when the manufacturer as a result of non-conformity to the warranty, buys a motor vehicle back from the consumer.
- 23) **Manufactured Home** - Manufactured homes sold on or after January 1, 2000 are exempt from paying sales tax.
- 24) **Manufacturing Operation – i.e. Cement Mixer** – This applies when the purchaser of a motor vehicle is using the vehicle (through a power take-off unit) in the production of a product for sale by manufacturing, processing, or refining. An example is a cement mixer where the mixing unit is operated through a power take-off unit instead of a separate power source).
- 25) **Corporate Merger with no Consideration** - The transfer of an asset of a corporation to the surviving corporation as a result of a merger or to a new corporation as a result of a consolidation.
- 26) **Corporate Name Change** - The transfer of title due to a corporate name change only.
- 27) **Non-Profit Charitable** - Sales to an organization that has been granted and maintains 501 (c) (3) status by the Internal Revenue Service or a not-for-profit organization, operated exclusively for charitable purposes in this state. NOTE: A motor vehicle used in the general operation of a business by the organization would be taxable.
- 28) **Non-Resident Affidavit, Immediate Removal** – Sale to a non-resident of this state upon presentation of an exemption certificate and affidavit (See Rule 5703-9-10). The non-resident purchaser must execute the documents in this State. The purchaser must state they are a non-resident of this State and that possession of the vehicle is taken in this State. The document must also state that the vehicle will be permanently titled and registered in another state and that it will not be used in the State of Ohio. **NOTE:** The sale of a motor vehicle consummated in Ohio to a non-resident member of the Armed Forces stationed in Ohio is taxable and does not qualify under the non-resident exemption. Another exception to the non-resident exemption would be the sale of a motor vehicle consummated in Ohio to a non-resident student attending school in Ohio. In this case, the vehicle would not be immediately removed from the State as required by law.
- 29) **Sale of a motor vehicle or watercraft to an out-of-state dealer** – form STEC IC or STEC WCIC needs to be completed
- 30) **Off-Highway Motorcycle** – This applies to an off-highway purchased prior to July 1, 1999.
- 31) **Partnership, Dissolution with no Consideration** - Transfer of title from a partnership to a partner (individual) upon dissolution of the partnership.
- 32) **Non-Licensed, Production Transportation** - Sale to a purchaser who is to use the motor vehicle as transportation equipment, except those licensed to operate on the public highways, to transport items in the process of production for sale by manufacturing, processing, assembling or refining within a plant. (See Rule 5703-9-21)

- 33) **Direct Use in a Public Utility Service** - The purchaser of a motor vehicle is purchasing a specially designed and equipped motor vehicle for use in rendering a public utility service. (Example = cabs, ambulances) Record the PUCO number with the title evidence.
- 34) **Resale – Demonstrator** (Dealer Permit and Vendor License Required) - A motor vehicle dealer (new, used, leasing, salvage, or out-of-state) obtaining title for “resale.” The Clerk of Courts will record on the title the current dealer’s permit number and/or vendor’s license number. Note: The waiver of the requirement that an exemption certificate be obtained by reason of “resale” applies only to motor vehicles.
- 35) **Resale – Financial Institution** - Finance company or bank protecting the loan may use the term “Resale-Financial Institution.”
- 36) **Resale – Implement/Equipment Dealer** - Farm implement or construction equipment dealers will occasionally acquire a horse trailer, or a utility or equipment “trailer,” with a gross weight in excess of four thousand pounds, which requires a motor vehicle certificate of title. If the implement or construction equipment dealer is in the business of regularly selling trailers that are required to be titled, they will be licensed as a motor vehicle dealer by the Bureau of Motor Vehicles. The Bureau of Motor Vehicles will not license those only occasionally selling trailers that are required to be titled as a motor vehicle dealer. Nevertheless, the implement or equipment dealer must have a vendor’s license as they are making retail sales. Under sales and use tax law, these implement or equipment dealers are entitled to claim the resale exemption on these trailers, so long as they are being acquired for the purposes of resale. These implement or equipment dealers *must* submit an exemption certificate with the application for certificate of title using the term “Resale – Implement/Equipment Dealer.”
- 37) **Resale – Leasing** (Dealer Permit and Vendor License Required) - A motor vehicle dealer (new, used, leasing, salvage, or out-of-state) obtaining title for “resale.” The Clerk of Courts will record on the title the current dealer’s permit number and/or vendor’s license number. **Note:** The waiver of the requirement that an exemption certificate be obtained by reason of “resale” applies only to motor vehicles.
- 38) **Re-manufacturing** – Chassis or Part – A manufacturer taking title to a chassis which will become part of a manufactured item that will be titled as a motor vehicle when sold to the ultimate consumer. An exemption certificate setting forth the statutory reason for exemption of use or consumption as a material or part for incorporation into personal property to be produced for sale by manufacturing, assembling or processing must accompany the application for title .
- 39) **Resale – New/Used Dealer** (Dealer Permit and Vendor License Required) - A motor vehicle dealer (new, used, leasing, salvage, or out-of-state) obtaining title for “resale.” The Clerk of Courts will record on the title the current dealer’s permit number and/or vendor’s license number. **Note:** The waiver of the requirement that an exemption certificate be obtained by reason of “resale” applies only to motor vehicles.
- 40) **Resale – Out-of-State Leasing** (Account Number Required “99xxxxxx”) - A motor vehicle dealer (new, used, leasing, salvage, or out-of-state) obtaining title for “resale.” **Note:** The

waiver of the requirement that an exemption certificate be obtained by reason of “resale” applies only to motor vehicles.

- 41) **Redeemed – Repossession** - When a finance company or lending institution takes constructive possession of a mortgagor’s car to protect its loan and thereafter the same mortgagor makes definite arrangements with the company to regain the car, it shall be titled back to the original mortgagor as “redeemed.”
- 42) **Resale – Daily Rental** (Vendor License Required) - A motor vehicle rental company having a vendor’s license for Resale-Rental.
- 43) **Redeemed – Return Sale** - When a trade-in is titled by a dealer for resale pursuant to the sale of another vehicle and that sale is not consummated, the trade-in vehicle title may be transferred back to the original mortgagor as “Redeemed.”
- 44) **Resale – Watercraft** (Vendor License Required) - A motor vehicle dealer that wants to lease a watercraft must have a watercraft vendor’s number and a separate address from the address of their motor vehicle vendor’s number license.
- 45) **Resale – Wholesale Only** - This code permits a lending institution (GMAC, FMAA, Chrysler Credit, etc.) to obtain title to a motor vehicle without being a licensed used motor vehicle dealer and/or vendor in situations where:
 - 1) A dealer offers the ultimate consumer the opportunity to purchase a motor vehicle (title transfers to the consumer).
 - 2) The consumer agrees to pay the full amount due or finance the amount due.
 - 3) The lending institution guarantees that they will “buy back” the vehicle after a pre-determined time for a pre-determined minimum amount.
 - 4) The lending institution will only sell the vehicle to a licensed motor vehicle dealer for subsequent sale. Since the lending institution can only sell these titled vehicles to a licensed motor vehicle dealer, they are not making retail sales. Therefore, there is no need for a motor vehicle dealer permit or vendor’s license.
 - 5) Individuals who are engaged in the business of selling, displaying, or offering for sale used motor vehicles, at wholesale, and who have been issued a wholesaler’s permit by the Bureau of Motor Vehicles.
 - 6) Individuals or corporations that purchase a watercraft and/or outboard motor for the sole purpose of renting or leasing it (under contract) to another individual, corporation, or club who will then rent or lease the watercraft and/or outboard motor to others. Since these owners are not making sales that are subject to sales or use tax, the owners are not required to have a vendor’s license.
- 46) **Self – Assembled** - The issuance of a title on a self-assembled motor vehicle that has been certified as road worthy by the Highway Patrol.

- 47) **State/Political Subdivision** - The State of Ohio or any political subdivision thereof.
- 48) **Salvage – Resale** (Salvage Dealer Permit and Vendor License required) - Salvage dealer taking a salvage title to a vehicle that is to be dismantled and sold as parts may use the term “Resale.”
- 49) **Salvage – Wholesale** (Salvage Dealer Permit Required) - Salvage dealer taking title to a vehicle which is to be resold to a new or used car dealer may use the term “Wholesale.”
- 50) **Transfer on Death** The transfer of title to the beneficiary or beneficiaries designated on a title that is in the name of a sole owner.
- 51) **Highway Transportation for Hire** (PUCO or ICC/MC Permit Required) - Sale to a purchaser who uses the motor vehicle primarily to engage in highway transportation for hire, which is transporting property belonging to others for a consideration and must be regulated by PUCO or ICC/MC.
- 52) **Transportation Services** Used when titling vehicles used directly and primarily in providing taxable intrastate transportation services. If any of these services are companies regulated by the PUCO, use the PU exemption and record the PUCO number with the title evidence.
- 53) **Unclaimed Vehicle by Affidavit** - The transfer of title to an unclaimed motor vehicle when the proper affidavit has been executed.
- 54) **Undisturbed Mortgage** - An exemption certificate is required when a vehicle with a lien is transferred to another person, but the original lien remains on the vehicle and the original owner remains liable for the debt and no consideration is given. An exemption certificate is required when a title transfers from two names to only one of the original names and the mortgage remains in both names. An exemption certificate is required when the title transfers from two names to only one of the original names and the mortgage also changes from two names to only one of the original names.
- 55) **Volunteer Fire Department** (Contract Basis) - Sales of emergency and fire protection vehicles to volunteer fire departments that are under contract with a political subdivision of this state (county, township, or municipality) to provide fire protection and emergency services.
- 56) **Warehousing** (Not Licensed for Highway Use) - Sale of a motor vehicle which will be used as a “yard truck” to transport purchased inventory in a warehouse, distribution center, or similar facility. The inventory must be primarily distributed outside this state to retail stores of the person who owns or controls the warehouse, distribution center, or similar facility. This exemption does not apply if the vehicle is licensed to operate on the public highways.
- 57) **Watercraft – Personal** – Applies to personal watercraft purchased prior to January 1, 2000.

AUDIT AND INVESTIGATIONS

Each transfer, exemption certificate, statement, and affidavit is reviewed by personnel of the Department of Taxation for validity relating to a reasonable purchase price of a vehicle on individual transactions and the statutory reason given for claim of exemption.

In the event any Clerk of Courts feels that an investigation should be made into a transaction, a "please investigate" note should be placed in the letterhead margin of the T-610, certificate, statement, or affidavit.

This request is to be made when there is a question, or exemption given, and further questioning of the applicant for title by the Clerk of Courts should lead to argument or controversy.

REFUNDS

The Ohio sales or use tax may be refunded to the taxpayer when it is determined that the tax was erroneously paid or when merchandise is returned. A claim for refund is to be filed on Form ST-185, accompanied by Form ST-185-B, by the individual who obtained title in their name and paid the tax to the Clerk of Courts (an agent of the State), or by the dealer who collected and paid the tax to the Clerk of Courts and reported the sale through the filing of a tax return. The Clerk of Courts may, if they desire, maintain a supply of these forms for distribution to individuals who wish to file a claim for refund. Vendors, dealers, and out-of-state sellers must file claims on behalf of their customers if there has been an erroneous collection or if merchandise has been returned. It must be proven that full credit or refund has been given of the sale price and tax.

TAXABLE TRANSACTIONS

All of the following transactions require taxes to be paid:

- 1) Sale of a motor vehicle to an Ohio resident who is a member of the armed forces with the sale being made and delivery taken in Ohio.
- 2) Sale of a motor vehicle by a sheriff or other court officer pursuant to court order, by an administrator or executor of an estate or by a trustee in bankruptcy, for a consideration.
- 3) Transfer of a motor vehicle by a dealer into its name for the dealer's personal use. Not considered to be a demonstrator.
- 4) Sale of a motor vehicle to a foreign corporation for use by their representatives in Ohio. If a dealer or vendor who has an account number makes the sale, the tax is collected and paid at time of applying for title.
- 5) Purchase of a motor vehicle by a foreign corporation for use by their representatives in Ohio. If tax is not paid at time of purchase, it must be paid to the Clerk of Courts at the time that corporation files for title. This example refers mainly to those vehicles being brought into this State and titled for use in Ohio.
- 6) Transfer of motor vehicle resulting from the assumption of a mortgage by the transferee. In this instance, the original owner is relieved of his obligation on the mortgage with the new owner taking over the responsibility. The tax base is the amount of the mortgage balance due plus any other consideration given by the new owner.
- 7) Sale of a motor vehicle to a non-profit, charitable organization which is to be used in the general operation of a business.
- 8) Transfer of a motor vehicle from a motor vehicle manufacturer to subsidiary corporations for use in Ohio. Tax would be collected from the applicant for title based on the cost from the manufacturer to the subsidiary.
- 9) Transfer of a motor vehicle from a motor vehicle manufacturer to its own division or corporate branch offices for use in Ohio. Tax would be collected from the applicant for title based on the total cost of raw materials going into that vehicle.
- 10) Transfer of a motor vehicle to a disabled veteran. The Veteran's Administration authorizes a disbursement toward purchase of motor vehicles by certain disabled veterans. When titling a motor vehicle, this certain applicant for title must produce VA Form 2145.02 to support the amount paid by the federal government. Tax shall be collected only on that amount which is excess of the amount paid by the government.

- 11) An item of tangible personal property such as another vehicle, a boat, etc. In each case, a value has to be established for the item being exchanged and the same should be fair market value of the item traded. Where there is an even trade of motor vehicles between two individuals with no money involved, each individual would pay tax due based on the actual value of the motor vehicle that he transferred to the other.
- 12) A piece of real estate such as a lot. In this instance, a value has to be established for the real property that was given toward the acquisition of the motor vehicle.
- 13) An item of tangible personal property such as shares of corporate stock, whether transferred to or from a corporation in exchange for a motor vehicle. An example would be the transfer of a motor vehicle from an individual to a corporation of which the individual is the sole owner or a stockholder. This constitutes a sale and the fair market value of the stock or other consideration given in exchange therefore would be presumed that the exchange is equivalent to the fair market value of the vehicle or the value as listed under corporate assets in which case this would be used as the tax base.
- 14) Cancellation of an existing debt owned to the purchaser or new title owner.
- 15) The transfer of a motor vehicle resulting from the mortgage assumption by the transferee (new title holder). The transfer of equity or interest agreement, wherein the transferor (previous title holder) is relieved of their original principal liability and becomes a guarantor or a transfer for a consideration and is subject to the tax. The tax base would be the total amount of the mortgage assumed plus any other consideration given.
- 16) The transfer of a motor vehicle as the result of the transferee (new title holder) paying off the mortgage in the name of the transferor (previous title holder) is a transfer for a consideration. The tax base would be the amount of the pay-off plus any other consideration given either in trade or money.

NO CONSIDERATION TRANSACTIONS

- 1) The transfer of a motor vehicle to the winner of a raffle or contest. In this instance, the winner has merely paid for a ticket or made a donation, which is not taxable (price of \$0.00).

Note: The tax liability falls upon the association of organization sponsoring the raffle or contest when they purchased the vehicle. Title must be obtained in the name of the association or organization and sales use tax must be paid unless exception/exemption can be claimed.

- 2) Transfer of title from an employee to his employer for the sole purpose of insuring the vehicle as a part of the employer's insurance (price of \$0.00).
- 3) The transfer of title to a motor vehicle or vehicle(s) between parents and their children, husband and wife, or between two unrelated parties in the absence of any consideration (price of \$0.00).

DEFINITIONS

Motor Vehicle: For sales and use tax purposes – “motor vehicle” as defined in Section 4501.01(B) and 4505.01 of the Ohio Revised Code, means everything on wheels which is propelled or drawn by power, other than muscular power or power collected from overhead electric trolley wires, including:

- 1) Self-propelled vehicles such as automobiles, motor homes, commercial cars, commercial tractors, motor scooters, motorcycles, and motor bicycles which are designed and used for transportation of persons or property on public highways.
- 2) Non-self-propelled vehicles such as manufactured homes, truck campers and travel trailers designed for human habitation, and trailers and semi-trailers.

Certificate of Title: No person, except as provided in Section 4505.05 of the Revised Code, shall sell or dispose of a motor vehicle without delivering to the purchaser or transferee a certificate of title with such assignment thereon as is necessary to show title in the name of the purchaser. No person, except as provided in Section 4505.11 of the Revised Code, purchase or otherwise acquire a motor vehicle without obtaining a certificate of title for it in their name in accordance with Sections 4505.01 to 4505.19 inclusive, of the Revised Code.

The application for Certificate of Title shall be filed with the Clerk of Courts of Common Pleas of the county in which the applicant resides or, if not a resident, in the county in which the transaction is consummated.

Exceptions for filing for an Ohio motor vehicle certificate of title, but subject to the motor vehicle laws, would be vehicles primarily designed for use off the highway as defined in sections 4519.48 to 4519.99 of Ohio Revised Code (snowmobiles and all purpose vehicles).

Sale: Sale includes all transactions by which title or possession, or both, of a motor vehicle is or is to be transferred for a consideration (price) in money or exchange (trade) or by any means whatsoever.

Dealer: An individual or company who is the bidder of an current motor vehicle dealer’s license issued by the Ohio Bureau of Motor Vehicles to engage in the business of selling new and/or used motor vehicles.

Vendor: An individual or company who would not qualify as a licensed motor vehicle dealer but who is required to be licensed as a vendor, may on occasion make a sale of a motor vehicle to a consumer and be responsible for collection of the tax. The following types of vendors are not motor vehicle dealers but would be required to have a vendor’s license and collect tax if sales are made to a consumer:

- 1) Motor vehicle rental company disposing of motor vehicles no longer being rented or leased.
- 2) Farm implement and construction contract equipment dealer disposing of motor vehicles obtained when selling farm or contract construction equipment.

The tax that is collected by these vendors is to be paid to the Clerk of Courts. The Clerk will process the title transfer as an individual transaction.

Out-of-state Seller: Individual or company located outside the State of Ohio registered with the Department of Taxation for the purpose of collecting the Ohio use tax on sales made to the consumer for use within this State. Sellers are identified by an eight-digit account number (99-xxxxxx).

Sales Tax: Tax that is due on sales of tangible personal property, usually made by a vendor or dealer located in Ohio.

Use Tax: Tax which is due on sales of tangible personal property, usually made by an out-of-state seller for the intended storage, use or consumption in the State of Ohio.

County Permissive Sales or Use Tax: Taxes, which may be adopted by the County Commissioners of a specific county. Collected by vendors, dealers or sellers along with the state tax and allocated by this state back to that county. On motor vehicle transactions, this county tax is a use tax with the collection of same from the purchaser of the vehicle, if purchased for use within a county that has levied the county taxes.

Transit Authority Sales or Use Tax: Taxes which may be adopted by a Regional Transit Authority or levied at a rate of ½%, 1%, or 1 ½% collected by vendors, dealers and sellers along with the state tax and allocated by the state back to the transit authority. On motor vehicle transactions, this is a use tax with the collection of same from the purchase of the vehicle, if purchased for use within an area that has levied the transit tax.

Individual Transaction: This term, as it relates to motor vehicle transactions, is generally considered to be a transfer of title or titles and/or possession of a motor vehicle from one person (non-dealer) to the other. When this type of transaction occurs, each individual who must acquire title is required to pay the tax or declare the transfer to be exempt from the tax. Such declaration can be in the form of a properly completed exemption certificate or Form T-610.

Consideration or Price: “Consideration” or “Price” means the aggregate value in money of anything paid or promised to be paid, or delivered in exchange (trade) for the transfer of either title to or possession of a motor vehicle. No deduction may be made from the “consideration” or “price” upon which the tax is based by reason of any trade-in allowance (except for the sale of new motor vehicles by a new motor vehicle dealer upon which a motor vehicle is given in trade). The tax is computed upon the actual consideration passing between the purchaser and the seller, whether in cash or by exchange (trade) or by any other means. The tax base should include the following items on new motor vehicles:

- 1) Base price of vehicle
- 2) Accessories
- 3) Freight or transportation charges from manufacturer to dealer
- 4) National advertising which may be charged on a unit basis
- 5) Service and handling prior to delivery (preparation charge)
- 6) Documentary fee
- 7) Undercoating

Note: Rebates do not reduce the “price” for calculating sales or use tax.