

Titling Tips

February 2013

Important Reminders for Dealers

➤ HELP YOUR CUSTOMERS BY COMPLYING WITH THESE REMINDERS

The Department of Revenue surveyed a few license offices to determine why customers are turned away from the office at the time of titling when a Missouri dealer is the seller. Below are the most frequent reasons. Please help us help your customers by complying with the reminders below:

1. The net price on title application or invoice **must** match the Notice of Sale that the dealer files and the title assignment.
2. The net price **must** be recorded on the title assignment.
3. The Application for Title and License (DOR-108) **must** be signed by the dealer to certify a trade-in.
4. The dealer invoice **must** be signed by the dealer to verify purchase price and trade-in information if there is no dealer-certified title application.
5. The dealer **must** provide the customer with a copy of the traded in vehicle's title or a power of attorney (POA) to be submitted with their title transaction.
6. Ensure that **all** title assignments have been completed properly and that **all** required signatures have been completed.
7. If there is a lien on the previous owner's title, ensure that a **notarized lien release** is provided to the customer **at the time of sale**.
8. Remind your customer's that **they must**:
 - Title and pay sales tax within 30 days of purchase to avoid title penalties; and
 - Submit the following items upon registering the vehicle:
 - Valid proof of insurance;
 - Proof of personal property taxes paid for the year prior to purchasing the vehicle that they are registering **or** submit a statement of non-assessment;

- A safety inspection less than 60 days old (if applicable); and
- An emissions inspection less than 90 days old (if applicable).

➤ LICENSED DEALERS MUST RECORD PRICING INFORMATION ON ALL RETAIL TITLE ASSIGNMENTS TO AVOID JEOPARDIZING THE DEALER'S LICENSE

The Department of Revenue continues to receive Missouri titles, out-of-state titles, and Manufacturer's Statements of Origin (MSOs) with applications for title in which the Missouri dealer failed to record the pricing information on the assignment. The Department of Revenue has notified dealers on several occasions of this requirement. Dealers who do not record this pricing information on the title assignment are actually perpetuating sales tax fraud. **All Missouri dealers must:**

1. Record the sale price, trade-in amount (or "None" if no trade-in), and the net price when completing a title assignment on a retail sale.
 - If the ownership document (i.e., non-conforming Missouri title, out-of-state title, or MSO) does not have a pre-printed area for recording the pricing information, the dealer should record the words "**Net Price**" and the corresponding net price on the title assignment.
 - Leaving the amounts blank on the title assignment could jeopardize the dealer's current license or renewal of a future license.
2. Enter the purchase price, rebate, trade-in, and net price on the dealer-certified title application.
 - If there is no trade-in, record "None" in the space provided for the trade-in amount and check the "No" block in the Dealer Information area of the application.
3. Report the net price correctly when filing sales information electronically and completing Notices of Sale.
 - The net price on the Notice of Sale, title application, and title assignment must all match.

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- Accuracy of all pricing information is critical.

Thank you for helping the Department of Revenue to ensure that all vehicle purchasers pay the correct amount of state and local taxes as required by Missouri law. Your assistance is greatly appreciated!

➤ **HELP YOUR CUSTOMERS BY INFORMING THEM OF THE REQUIRED INSPECTIONS**

Missouri law requires the dealer to provide the purchaser with a current safety inspection (and emissions inspection, if applicable) upon the sale of a motor vehicle unless the vehicle is exempt from the inspection requirements.

When an application for title is accompanied by an out-of-state or out-of-country title, the motor vehicle **must** be inspected to verify the vehicle identification number and odometer reading (ID/OD) of the vehicle, **even if the vehicle is exempt from a safety and emissions inspection.**

- The ID/OD inspection is not required for any motor vehicle transferred on a Manufacturer's Statement of Origin.
- The ID/OD inspection must accompany the title application.
- The safety or emissions inspection may also serve as the ID/OD Inspection.
- The same form that is used by mechanics for safety inspections is also used for ID/OD inspections.

Please ensure that your customers understand the difference between the ID/OD inspection requirement (for titling) and the safety and emissions inspection requirements (for registration) so they do not have to make a second trip to the license office.

➤ **NOTICE OF LIEN ISSUES**

The dealership must ensure that the same owner name(s) are recorded on the customer's title application, the title assignment, and what the lienholder intends to record on their Notice of Lien.

If the dealership adds an additional name to the title application **after the Notice if Lien has been filed**, a [Notice of Lien, Lien Release, or Authorization to Add/Remove Name from Title \(Form 4809\)](#), completed by the lienholder, **must** be submitted when the customer applies for title.