

AUDIT SERVICES

**NEW & USED  
MOTOR VEHICLE  
DEALERSHIPS**

TAX MATRIX

**INDUSTRY GUIDANCE**

<b>Category:</b>	New & Used Motor Vehicle Dealerships	<b>Tax Type:</b>	Sales & Use Tax
<b>Brief Description:</b>	New & Used Motor Vehicle Dealerships Tax Matrix	<b>Issuance Date:</b>	10-24-2022
		<b>Revision Date:</b>	10-24-2022

The taxability of sales and purchases of tangible personal property and labor services by new and used motor vehicle dealerships are summarized below. While this document provides general information as to the taxability of sales and purchases of tangible personal property and labor services by businesses in the new and used motor vehicle dealerships industry, it may not necessarily cover every situation as the taxability may depend on facts and circumstances around the specific transaction. Should a more definitive determination be desired, businesses may request a letter ruling from the Department. [MODOR Letter Ruling Page](#)

***This list is not all-inclusive.***

Missouri sales or use tax applies to those purchases identified or designated as taxable in the chart below. The applicable Missouri sales or Missouri consumer's use tax must be paid to the vendor or accrued and remitted directly to the Missouri Department of Revenue. Purchases from Missouri vendors may be reported using the retailer's sales tax return. Purchases from outside this state which are delivered to this state are to be reported on the Missouri consumer's use tax return.

<b>Sales by New &amp; Used Motor Vehicle Dealerships:</b>	<b>Taxable/Exempt</b>
Motor vehicles	Taxable (tax is due when titled)
All-terrain vehicles	Taxable (tax is due when titled)
Off-road utility vehicles	Taxable (tax is due when titled)
Trailers	Taxable (tax is due when titled)
Tires and batteries	Taxable
Leased vehicle down payments	Taxable
Wrecked vehicles	Taxable
Vehicle won by raffle, auction or fundraiser	Taxable (tax is due when titled)

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Boats and outboard motors	Taxable (tax is due when titled)
Leases of motor vehicles, trailers, boats and outboard motor vehicles	Taxable
Vehicle purchased with trade-ins (trade ins offset purchase price taxable amount)	Taxable (tax is due when titled)
Loaner car provided to customer paid by third party	Taxable
Loaner car provided to customer by dealer	Exempt
Audible alarm system	Taxable
Navigation system	Taxable
Theft deterrent & recovery products	Taxable
Documentation fee	Taxable
Separately stated fees, which include etching service, extended warranty, vehicle service contract, mechanical protection programs, pre-paid maintenance or service agreement, roadside assistance, appearance program, glass/windshield program, key replacement, and tire and wheel	Exempt
Administration & acquisition fee	Taxable
Excess mileage fee	Taxable
Excess wear and tear fee	Taxable
Financed sales tax fee	Taxable
Lien fee	Taxable
Titling fee	Exempt
Insurance payoff	Taxable
Audit debit fee	Exempt
Check cashing fees	Exempt
Collection & repossession fee	Exempt
Late fee	Exempt
Legal fee	Exempt

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<b>Sales by New &amp; Used Motor Vehicle Dealerships (continued):</b>	<b>Taxable/Exempt</b>
Licensing fee	Exempt
Non-insurance fee	Exempt
Non-sufficient funds fee	Exempt
Parking ticket fee	Exempt
Registration & renewal fee	Exempt
Transportation fee	Exempt
Assumption fee	Exempt
Payment & lease extension fee	Exempt
Rewrite fee	Exempt
Title search fee	Exempt
UCC search fee	Exempt
Personal property tax	Exempt

<b>Purchases by New &amp; Used Motor Vehicle Dealerships:</b>	<b>Taxable/Exempt</b>
Vehicles (purchased from a business liquidation)	Taxable (tax is due when titled)
Materials, replacement parts, and equipment	Taxable
Parts to be used for an initial manufacture warranty	Exempt
Parts to be used in an extended warranty which has no additional costs for parts	Taxable
Parts to be used in an extended warranty which has additional costs for parts	Exempt
Incidental supplies	Taxable (if not charged on sales invoice)
Furniture and fixtures	Taxable
Magazine subscriptions and newspapers	Taxable
Office supplies, business cards, paper, toner, cartridges, etc.	Taxable

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<b>Purchases by New &amp; Used Motor Vehicle Dealerships (continued):</b>	<b>Taxable/Exempt</b>
Equipment used to provide services including but not limited to: vehicle lifts, oil drain and oil caddy, battery charger and jumper, engine hoist, brake lathe, strut compressor, air conditioning machine, and press	Taxable
Tools & power tools including but not limited to: wrench, pliers, screwdrivers, hammer, compressor, impact wrench, torque wrench, multimeter, and oil-filter wrench etc.	Taxable
Shop supplies	Taxable
Tools used to complete pricing including but not limited to, vehicle pricing tool, appraisal tool, vehicle display page, inventory management, digital retailing, and pricing proof points	Taxable
Promotional items including but not limited to: calendars, mugs, clothing, etc.	Taxable
Utilities	Taxable
Media advertising	Exempt
Specialty advertising	Taxable
Security monitoring services	Exempt
Security cameras & other security related equipment purchased	Taxable
Canned software provided via electronic download through the internet	Exempt
Canned software and software upgrades to maintain or update software delivered via CD Rom	Taxable
Custom software and software upgrades to maintain or update software developed for a single end user	Exempt
Streaming music services	Exempt
Soda, coffee, or water	Taxable
Trash & cleaning services	Exempt
Pest control services	Exempt