



STATE OF CONNECTICUT
DEPARTMENT OF REVENUE SERVICES

PS 2001(4)

25 Sigourney Street
Hartford CT 06106-5032

POLICY STATEMENT

**Sales of Motor Vehicles to Nonresident Military Personnel and
Joint Sales of Motor Vehicles to Nonresident Military Personnel
and Their Spouses**

Purpose: This Policy Statement describes the procedures for nonresident members of the United States armed forces who are on full-time active duty in Connecticut to purchase motor vehicles at the reduced sales and use tax rate of 4.5%. It also explains the procedures for nonresident military personnel and their spouses to jointly purchase motor vehicles at the reduced rate of 4.5%. These procedures reflect the change made by 2000 Conn. Pub. Acts 174, §§4 and 6, which replaced the affidavit requirement for the 4.5% motor vehicle tax rate with the requirement of a declaration under penalty of false statement.

Background: Previously only nonresident military personnel on full-time active duty in Connecticut could purchase motor vehicles at the 4.5% sales and use tax rate. Effective October 1, 1998, the 4.5% sales and use tax rate extends to sales of motor vehicles made jointly to nonresident military personnel and their spouses.

Effective Date: Effective for sales on or after January 1, 2001.

Statutory Authority: Conn. Gen. Stat. §§12-408(1) and 12-411(1).

Definitions: For the statutory provisions discussed in this Policy Statement, the following definitions apply:

Members of the United States Armed Forces. Members of the United States armed forces include individuals in the Army, Navy, Air Force, Marine Corps, and Coast Guard.

Resident of Another State. A member of the United States armed forces on full-time active duty in Connecticut must be considered a resident of another state under 50 App USC §574 to qualify for the 4.5% sales and use tax rate.

Full-Time Active Duty. Full-time active duty includes persons in military service assigned to active duty and reporting to a location in Connecticut. Full-time active duty does not include military personnel who are called to active duty for a portion of a year, such as reservists or national guardsmen.

Motor Vehicle. A motor vehicle means any vehicle propelled or drawn by any nonmuscular power suitable for operation on a highway, as further defined in Conn. Gen. Stat. §14-1(a)(47). Motor vehicles do not include items such as aircraft, motorboats, golf carts, snowmobiles, and lawn mowers.

Reduced Tax Rate: Most sales of tangible personal property in Connecticut, including motor vehicles, are subject to 6% sales and use taxes. Members of the United States armed forces who are stationed in Connecticut on full-time active duty and are residents of another state may purchase motor vehicles at a reduced rate of 4.5%. Nonresident military personnel may also jointly purchase motor vehicles with their spouses at the 4.5% rate.

Members of the United States armed forces must provide proof to the motor vehicle dealer that they are not Connecticut residents and that they are on full-time active duty in Connecticut.

Requirements for Military Personnel to Purchase Motor Vehicles at the 4.5% Sales and Use Tax Rate:

The member of the United States armed forces who is purchasing the motor vehicle must provide the motor vehicle dealer with documents that prove the requirements to purchase a motor vehicle at the 4.5% sales and use tax rate have been met. The requirements are:

- The purchaser must provide the motor vehicle dealer with military enlistment papers **or** a signed letter from a commanding officer on military letterhead. The letter must include the name and address of the purchaser and must contain a statement that the purchaser is on full-time active duty at a duty station in Connecticut; and
- The purchaser must give the motor vehicle dealer a copy of the last *Leave and Earnings Statement* issued. This statement shows the purchaser’s state of residence or home of record. (A copy of both the most recent personal income tax return filed with the state of residence **and** a copy of a motor vehicle operator’s license issued by the state of residence can also be used to substantiate permanent residency in another state); and
- The purchaser must give the motor vehicle dealer a properly completed **CERT-135**, *Reduced Sales and Use Tax Rate for Motor Vehicles Purchased by Nonresident Military Personnel and Their Spouses*. (**Affidavit SUT-16a-7** may no longer be used.)

Additional Requirements for Members of the United States Armed Forces to Purchase Motor Vehicles Jointly With Their Spouses at the 4.5% Rate:

In addition to the requirements in the section above, a member of the United States armed forces and his or her spouse must provide the motor vehicle dealer with one of the following documents to jointly purchase a motor vehicle at the 4.5% rate:

- A copy of their marriage certificate; or
- A copy of their most recent federal income tax return filed with the Internal Revenue Service showing the box checked under filing status as “married filing joint return” or “married filing separate return.”

The military spouse must also provide the required documentation discussed in the previous section.

Effect of Statutory Change on Affidavit SUT-16a-7: **CERT-135** replaces **Affidavit SUT-16a-7**, which may no longer be used.

Effect on Other Documents: Policy Statement 2001(4) modifies and supersedes **Special Notice 99(5)**, *Sales of Motor Vehicles to Nonresident Military Personnel and Joint Sales of Motor Vehicles to Nonresident Personnel and Their Spouses*.

Effect of This Document: A Policy Statement is a document that explains in depth a current DRS position, policy or practice affecting the tax liability of taxpayers.

For Further Information: Please call DRS during business hours, 8:00 a.m. to 5:00 p.m., Monday through Friday:

- **1-800-382-9463** (toll-free within Connecticut), or
- **860-297-5962** (from anywhere)

TTY, TDD, and Text Telephone users only may transmit inquiries 24 hours a day by calling 860-297-4911.

Forms and Publications: Forms and publications are available all day, seven days a week:

- **Internet:** Preview and download forms and publications from the DRS Web site: **www.drs.state.ct.us**
- **DRS TAX-FAX:** Call **860-297-5698** from the handset attached to your fax machine and select from the menu.
- **Telephone:** Call **860-297-4753** (from anywhere), or **1-800-382-9463** (toll-free within Connecticut) and select **Option 2** from a touch-tone phone.