**Frequently Asked Questions about the Sale of a Used Motor Vehicle within 120 Days of the Purchase of a New or Used Motor Vehicle**

1. **I sold my motor vehicle and purchased a new or used motor vehicle within 120 days of the sale. Must I pay sales tax on the purchase of my motor vehicle?**

It depends. If you sold your motor vehicle on or after January 1, 2025 and you purchased a new or used motor vehicle within 120 days before or after the sale, then, sales tax may only be due on the difference.

Should the price of the new or used motor vehicle purchased be less than the price of the motor vehicle you sold, no additional sales tax may be due. A trade-in deduction or refund of sales tax may only be granted for the amount up to the price of the motor vehicle purchased.

1. **How are the days computed to meet the 120-day requirement?**

The purchase of the motor vehicle must occur within 120 days of the sale of the motor vehicle. Double click on the red date below and enter the date of the motor vehicle sold. The day the motor vehicle is sold does not count towards the 120-day requirement. The dates that a purchase of a new or used motor vehicle must occur will automatically populate to qualify you for a possible trade-in deduction or refund of sales tax paid.



1. **How do I take advantage of this sales tax refund/credit?**

Depending on the order of events, you may be able to provide specific documentation to the County Treasurer or you may be requested to complete a refund request and submit to the Kansas Department of Revenue.

1. **May I receive credit from the County Treasurer when I register the motor vehicle I have purchased?**

It depends. A County Treasurer may be able to treat the motor vehicle you sold as a trade-in on the sales tax receipt of your purchased new or used motor vehicle if you are registering your purchased new or used motor vehicle **after** the sale of your previous motor vehicle. The following are transactions that may be eligible:

1. On or after 1/1/2025, an individual sells a motor vehicle to an individual, Kansas motor vehicle dealer or to an out-of-state motor vehicle dealer.
2. Within 120 days **after the sale** of the motor vehicle in (a), that same individual that has sold the motor vehicle in (a) purchases a new or used motor vehicle from another individual or an out-of-state motor vehicle dealer.
3. Sale of motor vehicle in (a) must be less than purchase price of motor vehicle in (b).

If your transaction does not fit these parameters, you will need to apply for a refund from the Kansas Department of Revenue using [Form ST-21VT, Request for Sales Tax Refund of a Motor Vehicle Sold within 120 Days of a New or Used Motor Vehicle Purchase](https://www.ksrevenue.gov/pdf/st-21vt.pdf) . See Questions 6 and 7.

1. **What documents are needed to receive a trade-in deduction for a previous motor vehicle sold when registering the purchase of the new or used motor vehicle with the County Treasurer?**

First, for the County Treasurer to recognize that the transaction may qualify under K.S.A. 79-3697 (House Bill 2098, New Section 2), the following parameters must be met:

1. On or after 1/1/2025, an individual sold a motor vehicle to an individual, Kansas motor vehicle dealer, or to an out-of-state motor vehicle dealer.
2. Within 120 days **after the sale** of the motor vehicle in (a), that same individual that has sold the vehicle in (a) purchases a new or used motor vehicle from another individual or an out-of-state motor vehicle dealer.
3. Sale of motor vehicle in (a) must be less than purchase price of motor vehicle in (b).

Once these parameters are met, the County Treasurer will need the following documentation to receive a trade-in deduction for the motor vehicle you sold when registering your new or used motor vehicle.

* Completed Bill of Sale for the motor vehicle sold.  ([TR-312, Bill of Sale](https://www.ksrevenue.gov/pdf/tr312.pdf) or similar document). The bill of sale must include the seller’s name and address; the purchaser’s name and address; and clearly list the sale price. (required)
* Copy of the Kansas Motor Vehicle Registration for the motor vehicle sold.
* Copy of the title (front and back) for the motor vehicle sold.

This documentation listed above is in addition to the paperwork normally required by the County Treasurer’s Office to register any motor vehicle. Usual paperwork required is:

* Properly signed manufacturer’s statement/original title or certificate of origin (MSO/MCO). If there is more than one owner showing on the MSO/MCO the following number of signatures will be required based on the connection between the names:
  + And – All persons listed must sign.
  + Or – Either person can sign, only one signature required
  + If no connection listed, it will default to “and” and all parties must sign
* VIN inspection from the Kansas Highway Patrol.
* Current proof of insurance.
* Sales Tax receipt. If the sales tax was paid to another State and there is a difference, you will be responsible for paying the difference.

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1. **What transactions will require a refund application be completed and submitted to the Kansas Department of Revenue?**

You will need to submit a refund application to the Kansas Department of Revenue for any transactions the Treasurer’s Office cannot process. These include:

* Registering the purchase of your new or used motor vehicle prior to selling your other motor vehicle.
* If the state where you purchased your motor vehicle required you to pay tax to their state.
* If you purchased your motor vehicle from a Kansas Dealer and tax was already collected.
* If you purchased your motor vehicle from an out of state dealer.

1. **To apply for a refund with the Kansas Department of Revenue, what documentation must I provide?**

First, for the Kansas Department of Revenue to recognize that the transaction may qualify under K.S.A. 79-3697 (House Bill 2098, New Section 2), the following parameters must be met:

* Individuals may qualify if a motor vehicle is sold on or after January 1, 2025, and that motor vehicle was not used as a trade-in when purchasing a new or used motor vehicle.
* The sale of the motor vehicle that could have been traded, must occur within 120 days of the new or used motor vehicle you purchased.
* You must be the owner of the purchased motor vehicle, and you must be the most current former owner of the motor vehicle that was sold.
* The name of at least one buyer and seller listed on the bill of sale must match the information entered in the assignment of title on the back of the certificate of title.

The following information must be provided if requesting a refund from the Kansas Department of Revenue:

* Completion of [form ST-21VT](https://www.ksrevenue.gov/pdf/st-21vt.pdf), Request for Sales Tax Refund of a Motor Vehicle Sold within 120 Days of a New or Used Motor Vehicle Purchase.
* Copy of sales tax receipt/bill of sale/invoice for the new or used motor vehicle you have purchased
  + If the motor vehicle was purchased from a Kansas Motor Vehicle Dealer, the dealer should provide you with a completed form ST8D, Statement of Kansas State and Local Retail Sales Tax Paid.
  + If the motor vehicle was purchased from an individual or out-of-state motor vehicle dealer, you will register the motor vehicle with your County Treasurer. The County Treasurer will provide you with a sales tax receipt from that office.
* Copy of Vehicle Title (front and back) for motor vehicle purchased (this will verify that you have purchased this new or used motor vehicle)
* Copy of Vehicle Title (front and back) for motor vehicle sold (this will verify you were the owner of the vehicle sold).
* Copy of [TR-312, Bill of Sale](https://www.ksrevenue.gov/pdf/tr312.pdf).

1. **Are businesses eligible for a sales tax refund if a motor vehicle is sold within 120 days of the purchase of a new or used motor vehicle by that same business?**

No. Businesses are not eligible for the sales tax refund or trade-in deduction contemplated in K.S.A. 79-3697 (House Bill 2098, New Section 2). The legislation clearly states only individuals shall qualify for the refund provided in K.S.A. 79-3697 (House Bill 2098, New Section 2).

1. **How long will it take to process my refund request with the Kansas Department of Revenue?**

The Department will begin processing your refund request after the application and all necessary documentation is received. Processing the information may take up to 90 days.

**10. Will I be entitled to interest on my refund?**

Not necessarily. After the Kansas Department of Revenue receives the application and ALL supporting documentation, a refund will be issued within 90 days. If the refund process takes more than 120 days, interest will be computed from the date that the Department received the final documentation that completes the application. Kansas law deems the date of receipt to be the date an email was delivered electronically to the Department, the postmark date on the package that contains the documentation, or the date of mailing as certified by a private delivery company.

1. **Can I sell more than one motor vehicle?**

No. Sales of multiple motor vehicles, or multiple single motor vehicle sales, cannot be used to reduce the purchase price of a new or used vehicle upon which sales tax is computed for purposes of this refund.

**12. If I total my motor vehicle and purchase a replacement motor vehicle, am I eligible for a trade-in deduction or refund of sales tax?**

No. A trade-in deduction or refund of sales tax shall not be allowed when a motor vehicle is purchased to replace a motor vehicle that has been stolen or destroyed by accident, fire, or other adversity. Each purchase of a replacement motor vehicle shall be taxed whether the replacement motor vehicle is purchased by the owner of the motor vehicle that was stolen or destroyed or by an insurance company that is obligated to provide a replacement motor vehicle.

**13. If I sell my motor vehicle to a salvage yard within 120 days, will it qualify?**

Yes. A trade-in deduction or refund shall be allowed when a motor vehicle is sold to auction, salvage yard, or to a motor vehicle dealer.

**14. I donate my motor vehicle to charity and purchase a new or used motor vehicle within 120 days of my donation to the charity. May I qualify for a trade-in deduction or refund of sales tax on the purchase of my new or used motor vehicle?**

No. A used motor vehicle must be sold, not donated.

**15. Do I have to be the owner of the motor vehicle that was sold to receive a trade-in deduction or refund on the purchase of my new or used motor vehicle?**

Yes, you must have owned the motor vehicle that was sold and be the purchaser of the new or used motor vehicle to be eligible to receive a trade-in deduction or sales tax refund.

In other words, to be eligible for the trade-in deduction or refund, the individual applying for the trade-in deduction or refund must be named on both the bill of sale and on the front of the certificate of title of the motor vehicle being sold. This same individual must be listed on both the bill of sale and listed as the purchaser on the assignment of title section of the motor vehicle being purchased.  For the trade-in deduction or refund to be allowed, at least one owner listed on the certificate of title of the original motor vehicle being sold must also be named on the assignment of title of the motor vehicle purchased.

It is strongly recommended that for sales and purchases of motor vehicles with multiple individual owners, all individual owners be listed on both the bill of sale and purchase invoice and on the certificates of title.

**16. My grandmother gave me her car; can I claim a refund for the sales tax on her car if I sold her car within 120 days of purchasing a new or used motor vehicle?**

You may be eligible for a trade-in deduction if you purchase a new or used motor vehicle and sell your grandmother’s motor vehicle within 120 days of that sale. Prior to selling the motor vehicle, you must title the vehicle in your name and be the owner. No sales tax is due on a lineal transfer of a motor vehicle.

**17. Can I claim a trade-in deduction or sales tax refund if I do not have signed bills of sale?**

You must provide a copy of the bills of sale using form [TR-312, Bill of Sale](https://www.ksrevenue.gov/pdf/tr312.pdf) or, at a minimum, include information necessary to tie the specific purchase transaction to the related sale transaction including, but not limited to, the:

(A) seller's printed name and address;

(B) buyer's printed name and address;

(C) year, make and motor vehicle identification number of the motor vehicle sold;

(D) sale price and date of sale of the motor vehicle; and

(E) signatures of the seller and the buyer and the date signed.

If a taxpayer claiming a trade-in deduction fails to provide such signed bill of sale, the tax shall be due on the total consideration paid for the new or used motor vehicle.

**18. Will I be able to claim a trade-in deduction or refund for a trailer?**

No. Only motor vehicles are eligible for a trade-in deduction or refund. Trailers, All Terrain Vehicles (ATV), Utility Terrain Vehicles (UTV), boats, aircraft, or campers are not eligible for the trade-in deduction or refund.