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## Sales and Use Tax on Sales of Used Motor Vehicles, Boats, Snowmobiles, RVs, Trailers, Semitrailers, ATVs, UTVs, Off-Highway Motorcycles, and Aircraft

Fact Sheet 2113

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This fact sheet explains the Wisconsin sales and use tax treatment of sales of used motor vehicles, boats, snowmobiles, RVs, trailers, semitrailers, ATVs, UTVs, off-highway motorcycles, and aircraft. It describes who is a retailer, what must a retailer do, when county and city taxes apply, and sales to nonresidents.

### Who is a Retailer?

A retailer, as used in this fact sheet, is a person who holds a Wisconsin seller's permit or use tax registration certificate issued by the Wisconsin Department of Revenue (DOR) to collect and remit sales or use tax on taxable sales made by that person.

All retailers that are registered to collect and remit Wisconsin sales and use taxes must collect and remit applicable state, county, and city sales and use tax on sales of the following items (unless an exemption applies):

- Motor vehicles
- Boats
- Recreational vehicles as defined in sec. [340.01\(48r\)](#), Wis. Stats.
- Aircraft
- Snowmobiles
- Trailers
- Semitrailers
- All-terrain vehicles
- Utility terrain vehicles
- Off-highway motorcycles

### What Must a Retailer Do?

Retailers must collect and remit tax on these sales even if the retailer is not a "dealer" or "registered dealer" of the items sold.

**Provide Receipt:** In addition to signing the certificate of title (as applicable), the retailer should give an invoice or receipt to the buyer showing the amount of tax collected for remittance by the retailer to DOR.

Dealers registered with the Department of Transportation (DOT) or Department of Natural Resources (DNR) may submit the application for vehicle registration or title directly to such agency on behalf of the buyer. If the buyer submits the application for vehicle title or registration directly with the DOT or DNR, the buyer must provide the receipt to prove that the tax has been paid to the retailer. Without a receipt showing the tax paid to the retailer, the buyer will be asked to pay the tax to the DOT or DNR to obtain the title or registration, unless an exemption applies.

*Example 1:* Seller is engaged in the business of selling computer equipment and is registered to collect and remit Wisconsin sales and use tax. Seller is not a licensed motor vehicle dealer. Seller sells a truck that it had used in its business operations to Buyer. Seller is required to collect the applicable Wisconsin state, county, and/or city sales tax on its sale of the used truck. Seller should provide a receipt to Buyer showing Wisconsin state, county, and/or city sales or use tax that it collected from Buyer. At the time

Buyer registers or titles the truck with DOT, Buyer should provide a copy of the receipt as proof that they paid the applicable Wisconsin state, county, and/or city sales or use tax to Seller.

**Report and Pay Tax:** The retailer must report and pay the tax on their sales and use tax return filed with DOR.

**Items Used Personally Rather Than in a Business:** An individual is not required to collect and remit tax on a sale of an item listed above that is registered or titled, or required to be registered or titled, in Wisconsin if the individual did not use the item in a business (i.e., the item was for personal use only), even if the individual holds a seller's permit or use tax registration certificate with DOR. Instead, the buyer must pay the applicable tax when registering or titling the item.

*Example 2:* Seller operates a hardware store as a sole proprietor and is registered to collect and remit Wisconsin sales or use tax. Individual sells their personal car to Buyer. Seller did not use the car in their business. Seller is not required to collect Wisconsin state, county and/or city sales or use tax on their sale of the motor vehicle. Buyer must pay the applicable Wisconsin state, county, and/or city sales or use tax at the time Buyer registers or titles the motor vehicle.

### When Do County and City Taxes Apply?

**Note:** Beginning January 1, 2024, city of Milwaukee imposes a new 2% sales and use tax, and Milwaukee County sales and use tax increases from 0.5% to 0.9%. See [Fact Sheet 2414](#), *Milwaukee Sales and Use Taxes*, for additional information.

#### **Motor vehicles, boats, recreational vehicles as defined in sec. 340.01(48r), Wis. Stats., and aircraft:**

The retailer must collect and remit the county and/or city taxes in effect for the **location where the item will be customarily kept**. If the buyer will customarily keep the item outside Wisconsin, the retailer is not required to collect and remit county or city tax on the sale.

*Example 3:* Individual purchases and picks up a boat from Retailer's location in Dane County (i.e., a county that has adopted a 0.5% county tax). Individual will customarily keep the boat at their home in Sauk County (i.e., a county that has adopted a 0.5% county tax). Retailer is required to collect and remit the 5% Wisconsin state tax and 0.5% Sauk County use tax on its sale of the boat to Individual.

**Note:** If the buyer of a motor vehicle, boat, recreational vehicle as defined in sec. 340.01(48r), Wis. Stats., or aircraft has not previously paid any county and/or city tax on the purchase price (e.g., they purchase a used vehicle from a non-retailer/private party) and will customarily keep the item in a county and/or city that has adopted the county and/or city tax, the buyer is liable for that county and/or city's tax.

#### **Snowmobiles, trailers, semitrailers, all-terrain vehicles, utility terrain vehicles, and off-highway motorcycles:**

The retailer is required to collect and remit the county and/or city taxes in effect for the location **where the buyer receives possession of the item**. Additional information is provided in Appendix I of [Publication 201](#), *Wisconsin Sales and Use Tax Information*.

*Example 5:* Individual purchases a snowmobile from Retailer located in Winnebago County that has not adopted the county tax. Individual picks up the snowmobile at Retailer's location and will bring the snowmobile back to Individual's residence in Dane County, a county that has adopted a 0.5% county tax. Retailer is only required to collect and remit the 5% Wisconsin state tax on this transaction since Individual receives possession of the snowmobile in Winnebago County.

**Note:** If the buyer purchases a snowmobile, trailer, semitrailer, all-terrain vehicle, utility terrain vehicle, or limited use off-highway motorcycle in a county and/or city that does not impose a county and/or city tax and subsequently stores, uses, or otherwise consumes the item in a county and/or city that has adopted a county and/or city tax,

the buyer is liable for that county and/or city's tax. A retailer may collect and remit the county and/or city tax for the convenience of its customer.

## Sales to Nonresidents

**Motor vehicle, aircraft, and truck body (including semitrailer)** sales to nonresidents of Wisconsin, who do not use such property other than to remove it from Wisconsin, are exempt from Wisconsin state, county, and/or city sales and use taxes.

**Boat, recreational vehicle as defined in sec. 340.01(48r), Wis. Stats., snowmobile, trailer, all-terrain vehicle, utility terrain vehicle, and off-highway motorcycle** sales to nonresidents of Wisconsin are subject to the 5% Wisconsin state sales and use tax if the buyer takes possession of the item in Wisconsin. County and/or city taxes may apply as described above under When Do County and City Taxes Apply.

## Questions?

- Visit the department's website at [revenue.wi.gov](https://revenue.wi.gov)
- Email your questions or comments to [DORSalesandUse@wisconsin.gov](mailto:DORSalesandUse@wisconsin.gov)
- Call our Customer Service Bureau at (608) 266-2776

### Applicable Laws and Rules

This document provides statements or interpretations of ch. 77, [Wis. Stats.](#), and ch. Tax 11, [Wis. Adm. Code](#), enacted as of October 31, 2023.

Laws enacted and in effect after this date, new administrative rules, and court decisions may change the interpretations in this document. Guidance issued prior to this date, that is contrary to the information in this document is superseded by this document, according to sec. 73.16(2)(a), Wis. Stats.

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