

Vehicle Licensing Guide

Rental Vehicles – Application for Title VLIC-3.355

Original Date: 11/03/1977
Revision Date: 03/25/2017

- [Definitions](#)
- [Overview](#)
- [Customer Requirements](#)
- [Front Counter CSR](#)
- [DMV Contact Center Actions](#)
- [Contact](#)

POLICY	
Title: Rental Vehicles-Titling	
Effective Date: 11/03/1977	Revision Date: 07/01/2012
Authority: Code of Virginia: §§ 58.1-1734 , 58.1-1735 , 58.1-1736 , 58.1-1737 , 58.1-1738 , 58.1-2402	
Policy: Rental vehicles (period of use less than 12 months) are exempt from the Motor Vehicle Sales and Use Tax (SUT) if the rental company is licensed in Virginia and provides a rentor number at the time of titling.	
Exception: SUT is collected if the: <ul style="list-style-type: none">• Vehicle is being titled for use within the rental company and will not be rented.• Company is not licensed as a Virginia rental company.• Rental company exchanges rental plates for standard (non-rental) plates.• Vehicle is leased (the lease period is 12 months or more).	

[Return to top of page](#)

DEFINITIONS

Rental Motor Vehicle - A vehicle that is used by a person for a fee, under an agreement with the vehicle owner, for a period of less than 12 months, without the transfer of the ownership of such vehicle.

Rentor - A business engaged in the rental of motor vehicles for fees.

Rentor Number - A rental license number issued by the Virginia Department of Taxation to a business engaged in the rental of motor vehicles.

[Return to top of page](#)

OVERVIEW

A business licensed in Virginia as a rental company that is engaged in the rental of motor vehicles is exempt from payment of SUT when titling a rental vehicle if they provide a rentor number at the time of application for certificate of title.

The Virginia Department of Taxation (TAX) is responsible for issuing rental license (rentor) numbers to companies that rent vehicles.

- The rental company must pay rental tax to the Department of Taxation based on the gross proceeds, or charges made for the use of rental vehicles.
- TAX will electronically send DMV a daily data file containing valid rental license (rentor) numbers.
- The data file from TAX will not contain rental license cancellation information.
- DMV will upload the data file to the system used by CSCs to process customer transactions.

Rental Vehicle Titles

- Title certificates for rental vehicles will print with the special notation "Used as Daily Rental" in the "Other Pertinent Data" box.
- The "Used as Daily Rental" special notation follows the vehicle and prints on subsequent titles as long as the vehicle remains a rental vehicle.

- The fact that a vehicle was once used as a rental vehicle will appear on vehicle history inquiries and prospective purchaser inquiries.

Rental Vehicle License Plates

- If rental plates are exchanged for standard (non-rental) plates, SUT will be collected based on the NADA value at the time of registration as a non-rental vehicle.
- Rental plates can be transferred to another rental vehicle in the same rental company name without paying SUT.

[Return to top of page](#)

CUSTOMER REQUIREMENTS

1. Submit a completed Application for Certificate of Title and Registration ([VSA 17A](#)).
 - Application must include a rentor number issued by the VA Department of Taxation.
2. Provide one evidence of ownership:
 - Manufacturer's Certificate of Origin (MCO) or Manufacturer's Statement of Origin (MSO) which shows assignment of ownership and sales price.
 - If the sales price is not on the MCO or MSO, then a Bill of Sale must also be submitted with MCO/MSO.
 - Dealer Invoice, or
 - Bill of Sale

[Return to top of page](#)

FRONT COUNTER CSR

1. Review the VSA 17A to ensure the customer has entered a rentor number.
 - a. If the customer has NOT been issued a rentor number by TAX,
 - DO NOT PROCESS.
 - Provide the customer with TAX's Rental Tax Unit phone number (804-404-4180) so an application may be requested.
 - Advise the customer that the transaction cannot be processed as SUT exempt without a rentor number issued by TAX.
2. Process the rental vehicle data in accordance with data entry procedures.
 - a. When the rentor number is entered to the system, an automatic inquiry is performed on the rentor number file, and if a match is found, the rental data processes.
 - TAX electronically sends a file of valid rental license data to DMV on a daily basis.
 - b. If the system returns an error message or no match found,
 - Confirm with the customer that the rentor number is correct.
 - Verify that the business name on the application matches the business name in the system.
 - Reenter the rentor number or business name to the system, if needed.
 - c. If the system continues to return an error message or no match found,
 - DO NOT PROCESS.
 - Verify again with the customer that the rentor number and the name are correct.
 - Advise the customer that the transaction cannot be processed. The rentor number may not be valid or the number may not have been received yet in the daily data file that TAX sends to DMV.
 - Provide the customer with TAX's Rental Tax Unit phone number (804-404-4180) if he requires more information.
3. Complete the titling transaction in accordance with [VLIC-3.000](#).
 - If the customer is transferring rental plates to another rental vehicle, verify that the rental registration is valid and issued to the same company as the transaction being processed.
 - Rental plates can be transferred to another rental vehicle in the same company name without paying SUT.

<<<<REVISION

- If the customer is removing TNC use from a rental use passenger vehicle and transferring plates, process the registration according to [VLIC-4.120](#). **END REVISION>>>>**
- If the customer is exchanging rental plates for standard series (non-rental) plates, collect the 4.15% SUT based on the NADA trade-in valuation.
- For renewal of rental plates, verify that the rental registration is valid and issued to the same company as the transaction being processed.

[Return to top of page](#)

DMV CONTACT CENTER ACTIONS

- Virginia Department of Taxation (TAX) now issues rental license numbers (rentor) to rental companies and collects rental tax.
- If a customer calls requesting rental licensing information or rental tax forms, they may contact TAX:
 - By phone : TAX's Rental Tax Unit: 804-404-4180 (Hearing Impaired ONLY: 804-367-8329)
 - By email : Rentaltaxunit@tax.virginia.gov
 - By mail : Virginia Department of Taxation
Rental Tax Unit
P.O. Box 26627
Richmond, VA 23261-6627

[Return to top of page](#)

CONTACT

For additional information contact :

- Your CSC Manager/Assistant Manager
- DMV Contact Center Help Desk at (804) 367-6646
- Vehicle Services Division/[Titling Work Center](#)

[Return to top of page](#)