WEBSITES

Illinois Department of Revenue www.revenue.state.il.us

Illinois Secretary of State www.cyberdriveillinois.com

Student Legal Service www.odos.illinois.edu/sls

Driver Services Facility Finder https://www.ilsos.gov/facilityfinder/facility

You MUST declare the <u>actual</u> sale/purchase price to the Secretary of State.

No exceptions.

Read inside and follow the steps to avoid getting a TAX LIEN letter from the State or being charged with TAX FRAUD.

STUDENT LEGAL SERVICE 324 Illini Union

Office Hours: 8:30-Noon & 1-4:30pm, M-F

www.odos.illinois.edu/sls

studentlegalservice@illinois.edu facebook.com/illinois.sls

A Unit of the Office of the Dean of Students. Student Affairs at Illinois.



SELLING YOUR CAR?

BUYING A CAR FROM SOMEONE? -- YOU WILL OWE TAXES --



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TAXES....WHEN SELLING YOUR CAR

Reporting a wrong purchase price is **FRAUD**. Saying a "**SALE**" is a "**GIFT**" is **FRAUD**.

- 1. When you sell your car, you <u>must</u> declare the actual selling/ purchase price. No exceptions.
 - If you sell a 2017 Mercedes and claim a sale price of \$15,000 or less, you will have to pay tax on the \$15,000 (or less) valuation.
 - However, there WILL be an audit by the Illinois Department of Revenue that shows the fair market value is \$60,000.
 - Tax will then be due on THAT amount PLUS penalties.
- If you claim that the sale is a "gift," you or the purchaser will still be charged taxes for the Fair Market Value of the vehicle. Calling it a gift does not make it a gift!
- 3. If you are an International Student and fail to pay the proper amount of tax by falsely declaring the sale amount
 - it will likely be regarded as TAX FRAUD that can result in
 - Exclusion from re-entry into the United States and
 - could result in Deportation/Removal if you are formally charged and convicted.

What should you do?

 Check the Kelley Blue Book, kbb.com, or NADA Guides, NADAguides.com, for fair market value pricing.



- 2 Download Form RUT-50, Private Party Vehicle Use Tax Chart: http://tax.illinois.gov/TaxForms/Sales/VehicleUseTax/RUT-5. pdf
- **3.** Pay the correct tax.

INFORMATION PAMPHLETS

Vehicle and Title Registration (VSD-293)

www.cyberdriveillinois.com/publications/pdf_publications/vsd293.pdf

Buying or Selling a Used Vehicle (DOP-143)

www.cyberdriveillinois.com/publications/pdf_publications/sos_ dop141.pdf

FORMS

Seller's Report of Sale (VSD-703) ("Notice of Sale" form mentioned in "Buying or Selling a Used Vehicle) www.cyberdriveillinois.com/publications/pdf_publications/vsd703.pdf

Application for Vehicle Transactions (VSC-190)

www.cyberdriveillinois.com/departments/vehicles/title_and_ registration/pert.html

Private Party Vehicle Use Tax (RUT-50)

tax.illinois.gov/TaxForms/Sales/VehicleUseTax/RUT-5.pdf

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