#### 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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