

Sixtieth
Legislative Assembly
of North Dakota

SENATE BILL NO. 2086

Introduced by

Transportation Committee

(At the request of the Tax Commissioner)

1 A BILL for an Act to amend and reenact subsection 5 of section 57-40.3-01 of the North Dakota
2 Century Code, relating to use of total loss statements.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

4 **SECTION 1. AMENDMENT.** Subsection 5 of section 57-40.3-01 of the North Dakota
5 Century Code is amended and reenacted as follows:

6 5. "Purchase price" means the total amount paid for the motor vehicle whether
7 received in money or otherwise; provided, however, that when a motor vehicle or
8 other tangible personal property that will be subject to a sales or use tax imposed
9 by chapter 57-39.2 or 57-40.2 when sold or used is taken in trade as a credit or as
10 part payment on a motor vehicle taxable under this chapter, the credit or trade-in
11 value allowed by the person selling the motor vehicle shall be deducted from the
12 total selling price to establish the purchase price of the vehicle being sold and the
13 trade-in allowance allowed by the seller on a motor vehicle accepted as a trade-in
14 shall constitute the purchase price of a motor vehicle accepted as a trade-in. If a
15 motor vehicle is purchased by an owner who has had a motor vehicle stolen or
16 totally destroyed, a credit or trade-in credit shall be allowed against one or more
17 replacement motor vehicle purchases in a cumulative amount not to exceed the
18 total amount the purchaser has been compensated by an insurance company for
19 the loss but not to exceed the total amount of motor vehicle excise tax paid. The
20 purchaser must provide the director of the department of transportation with a
21 notarized statement from the insurance company within three years from the date
22 of issuance verifying the fact that the original vehicle was a total loss and stating
23 the amount compensated by the insurance company for the loss. The statement
24 from the insurance company must accompany the purchaser's application for a

1 certificate of title for the replacement vehicle. If the full amount of the credit under
2 this subsection has not been used, the director of the department of transportation
3 shall record on the face of the notarized statement the necessary information to
4 identify the partial use of the credit and shall retain a copy and return the original to
5 the purchaser. In instances in which a licensed motor vehicle dealer places into
6 the dealer's service a new vehicle for the purpose of renting, leasing, or dealership
7 utility service, the reasonable value of the vehicle replaced shall be included as
8 trade-in value provided the vehicle replaced has been subject to motor vehicle
9 excise tax under section 57-40.3-02 and if the new vehicle is properly registered
10 and licensed. "Purchase price" when the motor vehicle is acquired by gift or by
11 any other transfer for a nominal or no monetary consideration also includes the
12 average value of similar motor vehicles, established by standards and guides as
13 determined by the director of the department of transportation. "Purchase price"
14 when a motor vehicle is manufactured by a person who registers it under the laws
15 of this state means the manufactured cost of such motor vehicle and manufactured
16 cost means the amount expended for materials, labor, and other properly allocable
17 costs of manufacture except that, in the absence of actual expenditures for the
18 manufacture of a part or all of the motor vehicle, manufactured cost means the
19 reasonable value of the completed motor vehicle.