

**HOUSE BILL NO. 1245**

Introduced by

Representatives Vigesaa, Belter, Dietrich, S. Meyer, Ruby

Senator Wardner

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 exclusion of motor vehicle manufacturers' rebates under the motor  
3 vehicle excise tax; and to provide an effective date.

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

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

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

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

22 **SECTION 2. EFFECTIVE DATE.** This Act is effective for taxable events occurring after  
23 June 30, 2007.