

STATE OF COLORADO

DIVISION OF MOTOR VEHICLES

Department of Revenue

Titles/Registration Section

Maren Rubino

Operations Director

Business Location

1881 Pierce Street Lakewood, Colorado

Phone (303) 205-5608

Mailing Address

Denver CO 80261-0016



Bill Ritter Jr.
Governor

Roxy Huber
Executive Director

Joan Vecchi
Senior Director

DIVISION OF MOTOR VEHICLES TITLE AND REGISTRATIONS SECTIONS BULLETIN

To: CIADA, CADA

March 3, 2008

From: Irene Gutierrez, Titles and Registration

Cc: Maren Rubino, Operations Director
Stave Asbell, Tax Payer Service Policy Group
DOR, Auto Industry Division
County Clerks

Re: Vehicles Donated to a College/University from a Dealer

Additional information is being provided to clarify Memo TR 07-14, Vehicles Donated To A College From A Dealer dated September 5, 2007, and to address additional questions that have been raised.

Several terms have been used when referencing the donation of vehicles that may have contributed to the confusion on how to title, register and plate these vehicles. Below are the terms and definitions defined by the Titles and Registrations Section for these vehicles:

- “Donated” is defined as a gift, free of charge, and the vehicle title will be transferred to the name of the recipient.
- “Leased” is defined as vehicles that are subject to the terms of a lease agreement with corresponding payments.
- “Loaners” are defined as vehicles that will be returned to the original owner and no transfer of ownership will take place.

Pursuant to C.R.S. 42-6-111(1) and 42-6-119 (2) ‘Dealer for Resale No Sales Tax Paid’ titles can only be issued to vehicles which are in the dealer’s possession and at the dealer’s place of business solely for the purpose of sale. A copy of DR 0100A Retail Sales Tax Return for Occasional Sales and DR 0025 Statement of Sales Tax Paid on Loaner Motor Vehicles must be submitted to the county office for all ‘donated’ and ‘loaner’ vehicles in order to title the vehicle in the dealer name. Taxes should be computed using the formula provided in the Sales Tax Special Regulation 3.5. This information can be obtained at

<http://www.revenue.state.co.us/taxstatutesregs/3926regSR3.5AutoDealSpecEventbs.html>.

The following procedures must be followed when titling and registering these vehicles:

Donated: When a vehicle is donated to a government agency.

- Dealer must apply for title through the county motor vehicle office in the dealership name.
- Dealer must pay title fees and sales tax. A copy of form DR 0100A and DR 0025 will be accepted as proof of sales tax paid.
- The dealer shall assign the new title over to the government agency. The purchase price on the title must be “Donated” and entered into the system as “0”.
- The government agency shall apply for a government title and plates through the State Titles and Registrations Section.
- The government agency shall pay the title, plate and material fees.
- The government agency is exempt specific ownership tax.
- The government agency is exempt annual registration fees.

Loaners: When a vehicle is loaned to a government agency for over 30 days/government plates.

- Dealer must apply for title through the county motor vehicle office in the dealership name.
- Dealer must pay title fees and sales tax. A copy of form DR 0100A and DR 0025 will be accepted as proof of sales tax paid.
- The government agency must be listed as the “In Care Of” on the registration.
- The government agency shall apply for government plates through the State Registration Section.
- The government agency shall pay the plate and material fees.
- The government agency is exempt specific ownership tax.
- The government agency is exempt annual registration fees.

Loaners: When a vehicle is loaned to a government agency for over 30 days/regular plates.

- Dealer must apply for title through the county motor vehicle office in the dealership name.
- Dealer must pay title fees and sales tax. A copy of form DR 0100A and DR 0025 will be accepted as proof of sales tax paid.
- The government agency must be listed as the “In Care Of” on the registration.
- The government agency shall pay the plate and material fees.
- The government agency shall apply for regular plates at the county motor vehicle office.
- The government agency is exempt specific ownership tax.
- The government agency is exempt annual registration fees.

Leased: When a vehicle is leased to a government agency.

- If the government agency requests to be exempt from specific ownership tax and annual registration fees, the lease agreement must be submitted to the DOR, Motor Vehicle Registration Section for approval prior to being titled or registered.
- The lessor must apply for title in the lessor’s name through the county motor vehicle office and the government agency must be listed as the lessee.
- The government agency may apply for Government plates through the State Registration section or apply for regular plates at the county motor vehicle office.
- The government agency shall pay the title and material fees.

Below is a list of statutory references:

C.R.S. 42-6-111 Sale to Dealers-certificate need not issue. (1) Upon the sale or transfer to a dealer of a motor vehicle for which a Colorado certificate of title has been issued, the certificate of title to the motor vehicle shall be transferred and filed; except that, so long as the vehicle remains in the dealer's possession and at the dealer's place of business for sale and for no other purpose, such dealer shall not be required to procure or file a new certificate of title as is otherwise required in this part 1.

C.R.S. 42-6-119 Certificates for vehicles registered in other states. (2) If a dealer acquires the ownership of a motor vehicle by lawful means and the motor vehicle is titled under the laws of a state other than Colorado, such dealer shall not be required to file a Colorado certificate of title for the vehicle so long as such vehicle remains in the dealer's possession and at the dealer's place of business solely for the purpose of sale.

C.R.S. 42-3-104 Exemptions-specific ownership tax-registration-domicile and residency-rules-definitions (1) reads in pertinent part: Only those items of classified personal property that are owned by the United States government or an agency or instrumentality thereof, by the state of Colorado or a political subdivision thereof, shall be exempt from payment of the annual specific ownership tax imposed in this article.

C.R.S. 42-3-104 Exemptions-specific ownership tax-registration-domicile and residency-rules-definitions (2) reads in pertinent part: An item of personal property that is leased by the state of Colorado or a political subdivision thereof may be exempted by the department from payment of the annual specific ownership tax imposed in this article if the agreement under which such item is leased is first submitted to the department and approved by it.

C.R.S. 42-3-104 Exemptions-specific ownership tax-registration-domicile and residency-rules-definitions (4) At the request of the appropriate authority, motor vehicles owned and operated by the state of Colorado or any agency or institution thereof or by a town, city, county, or city and county may be assigned, in lieu of the distinct registration number specified in this article, a special registration number indicating that such vehicle is owned and operated by the state of Colorado or any agency or institution thereof or by a town, city, county, or city and county, but only one such special registration number shall be assigned to each vehicle. An application for the special registration provided in this section that is made by the state of Colorado or any agency or institution thereof shall be made to the department only. An application for the special registration provided in this section that is made by any town, city, county, or city and county shall be made only to the authorized agent in the county wherein the applicant local government entity is located, and any such special registration shall be obtained directly from such authorized agent. Special registrations obtained under this subsection (4) shall be renewed annually pursuant to the requirements prescribed by the department.

C.R.S. 42-1-102 Definitions (66) "Owner" means a person who holds the legal title of a vehicle; or, if a vehicle is the subject of an agreement for the conditional sale or lease thereof with the right of purchase upon performance of the conditions stated in the agreement and with an immediate right of possession vested in the conditional vendee or lessee or if a mortgagor of a vehicle is entitled to possession, then such conditional vendee or lessee or mortgagor shall be deemed the owner for purposes of articles 1 to 4 of this title. The term also includes parties otherwise having lawful use or control or the right to use or control a vehicle for a period of thirty days or more.

C.R.S. 42-6-102 Definitions (12) "Owner" means a person or firm in whose name the title to a motor vehicle is registered.

C.R.S 42-3-304 Registration fees-passenger and passenger-mile taxes-clean screen fund-repeal (3) No fee shall be payable for the annual registration of a vehicle when: (c) the owner of such vehicle is the state or a political or governmental subdivision thereof; but any such vehicle that is leased, either by the state or any political or governmental subdivision thereof, shall be exempt from payment of an annual registration fee only if the agreement under which it is leased has been first submitted to the department and approved, and such vehicle shall remain exempt from payment of an annual registration fee only so long as it is used and operated in strict conformity with such approved agreement.

C.R.S. 39-26-704(1) Miscellaneous sales tax exemptions – government entities – hotel residents – schools – exchange of property (1) All sales tax to the United States government and to the state of Colorado, its departments and institutions, and the political subdivisions thereof in their governmental capacities only shall be exempt from taxation under the provisions of part 1 of this article.

If you have any questions related to determining sales tax due please contact the DOR Local Government Support Unit at 303-205-8211 x6882. Otherwise for questions relating to titling and registering these vehicles please call 303-205-5607.