

MVU – FAQ

March 1, 2017

Is Motor Vehicle Usage Tax refundable?

There are three instances where a Motor Vehicle Usage Tax refund will apply according to law. In part, [KRS 138.460](#) states the following:

(9) Where a motor vehicle is sold by a dealer in this state and the purchaser returns the vehicle for any reason to the same dealer within sixty (60) days for a vehicle replacement or a refund of the purchase price...

(10) When a manufacturer refunds the retail purchase price or replaces a new motor vehicle for the original purchaser within ninety (90) days because of malfunction or defect...

(11) Notwithstanding the time limitations of subsections (9) and (10) of this section, when a dealer or manufacturer refunds the retail purchase price or replaces a motor vehicle for the purchaser as a result of formal arbitration or litigation, or, in the case of a manufacturer, because ordered to do so by a dispute resolution system established under KRS 367.865 or 16 C.F.R. 703...

When an individual does a title only and a Motor Vehicle Usage Tax exemption applies, what will happen when the individual comes back to register the vehicle?

Since motor vehicle usage tax is collected at time of title, any applicable exemption must be applied during this transaction. When the individual later registers the vehicle the taxing transaction has already been completed; therefore, no tax would be due.

Is Motor Vehicle Usage Tax due if I add someone to the title?

Yes, every transfer of title or registration is subject to Motor Vehicle Usage Tax.

Are churches exempt from the Motor Vehicle Usage Tax?

Unlike sales tax, there is no provision in [KRS 138.470](#) for exempting church vehicles from the Motor Vehicle Usage Tax.

Where can a copy of the Sales and Use Tax, as well as the Motor Vehicle Usage Tax statutes be found?

The law for all three taxes can be found online at <http://www.lrc.ky.gov/Statutes/index.aspx>. Motor Vehicle Usage Tax statutes are located under [KRS 138.450](#), [KRS 138.460](#), with exemptions under [KRS 138.470](#). Sales and Use Tax statutes are located under [KRS Chapter 139](#).

Are there any states that do not grant credit for substantially identical taxes paid under [KRS 138.460\(6\)](#)?

Credit is not given for taxes paid in Georgia after March 1, 2013, as Georgia does not grant similar credit for taxes paid in Kentucky because of the nature of the tax imposed in that state.

Can I register a motor vehicle using only a bill of sale?

Kentucky requires a completed Affidavit of Total Consideration form (71A100), notarized by both the seller and purchaser, and presented to the County Clerk at the time of registration. If a notarized affidavit is unavailable or incomplete, tax is based on the MSRP of a new vehicle or the retail value from the prescribed reference manual for a used vehicle. Buyer(s) will be liable for any additional tax due, plus applicable interest and penalty. See KRS 138.4603 for new vehicle, KRS 138.450(16) for used vehicle, and 103 KAR 44:060 for further details on retail value.