

### **103 KAR 44:100. Procedures for refund based on vehicle condition.**

RELATES TO: KRS 138.450 -138.470

STATUTORY AUTHORITY: 131.130(1), 138.450, 138.460

NECESSITY, FUNCTION AND CONFORMITY: KRS 138.460(12)(b) requires the Department of Revenue to promulgate administrative regulations to develop the forms and the procedures by which the owner of a motor vehicle may apply for a refund and document the condition of the vehicle under KRS 138.460(12)(a). KRS 131.130(1) authorizes the Department of Revenue to promulgate administrative regulations for the administration of all tax laws. This administrative regulation establishes the procedures required for claiming and documenting a refund request for motor vehicle usage tax when the tax paid was based upon fifty (50) percent of trade-in value as provided in KRS 138.450(16)(a) and the actual condition of the vehicle at the time the usage tax was paid was less than fifty (50) percent of the trade-in value.

Section 1. Definitions. (1) "Adjusted retail price" means, for a motor vehicle subjected to motor vehicle usage tax pursuant to the provisions of KRS 138.450(16)(a), the price based upon the following calculation:

(a) Trade-in value based on the reference guide for the motor vehicle listed on the Vehicle Condition Refund Application (71A010);

(b) Less the trade-in value based on the reference guide for any motor vehicle given in trade; and

(c) Less any repair cost listed in the vehicle condition verification documents submitted to the department.

(2) "Reference manual" is defined by KRS 138.450(23).

(3) "Repair cost" means costs or estimates for parts or labor to return the motor vehicle to trade-in value or drivable condition, except for upgrading or improving the vehicle beyond trade-in value condition.

(4) "Vehicle condition verification documents" means originals or copies of the following dated items:

(a) Photographs of the vehicle supplied by the motor vehicle owner or the Department of Revenue that:

1. Are taken by the owner or Department of Revenue personnel;

2. Indicate the condition of the vehicle; and

3. Show the vehicle damage and the VIN plate attached to the vehicle;

(b) Copies of receipts for parts purchased for repair that contain the name of the parts purchase, the price of the parts, the name, address, and telephone number of the business where purchased, and the date of purchase;

(c) Copies of repair cost estimates that contain the VIN of the vehicle being repaired, the date the estimate was prepared, and the name, address, and telephone number of the estimate preparer; or

(d) Copies of repair cost receipts that contain the VIN of the vehicle being repaired, the date the repair was rendered, and the name, address, and telephone number of the vehicle repairer.

(5) "Vehicle Identification Number" or "VIN" means the numbers, letters, or combination of numbers and letters assigned by the manufacturer or a governmental entity and stamped upon or otherwise affixed to a motor vehicle or motor vehicle part for the purpose of identification, except for the letters, numbers, or combinations on registration plates issued under KRS Chapter 186.

Section 2. Refund Application Process. (1) The owner of a motor vehicle who has paid the motor vehicle usage tax according to the provisions of KRS 138.450(16)(a) and requests a refund of a portion of the tax paid shall submit to the department a completed Vehicle Condition Refund Application (Form 71A010) with the following documents attached:

- (a) A copy of the owner's Kentucky Registration Receipt (Form TC 96-181) for the vehicle;
  - (b) A copy of the owner's completed Application for Kentucky Certificate of Title/Registration (Form TC 96-182) for the vehicle; and
  - (c) At least two (2) vehicle condition verification documents.
- (2) All documents submitted with the Vehicle Condition Refund Application shall include the VIN to identify the motor vehicle for which the applicant is requesting the refund.
- (3) The owner of the motor vehicle may utilize one of the department's Taxpayer Service Centers to obtain photographs of the damaged vehicle and for submittal of the Vehicle Condition Refund Application.

Section 3. Refund Calculation Amount. (1) The department shall consider all refund requests based upon whether the condition of the motor vehicle at the time the motor vehicle usage tax was paid as evidenced by documentation provided to the department merits an adjusted retail price.

(2) Any approved refund shall be the actual amount of tax paid less the tax due based on the greater of the adjusted retail price or the applicant's purchase price as stated on the Application for Kentucky Certificate of Title or Registration (Form TC 96-182).

Section 4. Refund Denial. Any incomplete or erroneous information on the Vehicle Condition Refund Application (Form 71A010) or the associated vehicle condition verification documents shall result in the denial of the refund. If the department has denied a refund request, the applicant may resubmit a refund request if additional information is made available.

Section 5. Forms. (1) The department forms listed herein may be inspected, copied, or obtained, subject to applicable copyright law, at:

- (a) The Kentucky Department of Revenue, 501 High Street, Frankfort, Kentucky 40620;
  - (b) A Kentucky Taxpayer Service Center, Monday through Friday, 8 a.m. to 4:30 p.m.; or
  - (c) The department Web site at <http://revenue.ky.gov>.
- (2) Form TC 96-181 and TC 96-182 listed herein may be inspected, copied, or obtained, subject to applicable copyright law, at the Kentucky Transportation Cabinet Forms Library Web site at <http://transportation.ky.gov/Organizational-Resources/Pages/Forms-Library.aspx>, or by calling (502)564-4610. (33 Ky.R. 2826; 3162; eff. 5-4-2007; TAm eff. 5-20-2009; 44 Ky.R.783, 1214; eff. 1-5-2018; Crt eff. 8-7-2019.)