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Subject: Changes the taxation of certain sales and leases of American-made motor vehicles

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Overview

Provides a sales tax exemption for American-made motor vehicles leased by a state or local government. Limits certain existing motor vehicle sales tax exemptions to purchases of American-made motor vehicles only.

Section

- 1 **American-made motor vehicle.** For general sales tax purposes, defines an American-made motor vehicle as one with a vehicle identification number (VIN) starting with “1”. The first character in a VIN indicates the country of manufacture. Effective for sales and purchases made after June 30, 2018.
- 2 **Sales of certain goods and services to governments.** Proves a sales tax exemption for leases of American-made vehicles when leased by a state, school district, or other local government. Leases of motor vehicles by the federal government are already exempt under federal law. Effective for sales and purchases made after June 30, 2018.
- 3 **American-made motor vehicle.** For purposes of the motor vehicle sales tax, defines an American-made motor vehicle as one with a VIN starting with “1”. The first character in a VIN indicates the country of manufacture. Effective for sales and purchases made after June 30, 2018.
- 4 **Exemptions.** Limits the following existing motor vehicle sales tax exemptions to purchases of American-made motor vehicles only:

Section

- vehicles purchased by a public educational institution for use in an automotive training program;
- vehicles purchased by a public library to use as a bookmobile;
- vehicles purchased by a town for use in road maintenance work; and
- vehicles purchased by a transit provider to provide public transit services.

Effective for sales and purchases made after June 30, 2018.