



## Ohio Revised Code

### Section 5739.027 Tax on watercraft or outboard motor purchased by nonresident.

Effective: April 6, 2023

Legislation: House Bill 567

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(A) Notwithstanding sections 5739.02, 5739.021, 5739.023, 5739.026, 5741.02, 5741.021, 5741.022, and 5741.023 of the Revised Code, the tax due on the sale to a consumer who is a nonresident of this state of a watercraft or outboard motor required to be titled pursuant to Chapter 1548. of the Revised Code, or on the sale of a watercraft documented or to be documented with the United States coast guard, shall be the lesser of the combined tax rate in effect at the location of the vendor or the sales, use, or similar excise tax that the consumer would owe in the state of the consumer's intended titling, registration, or use of the watercraft or outboard motor, if all of the following apply:

- (1) The consumer immediately will remove the watercraft or outboard motor from this state for use outside this state;
- (2) The consumer will title or register the watercraft or outboard motor in another state, if such titling or registration is required;
- (3) The consumer will pay all applicable sales, use, or similar excise taxes due in the state of titling, registration, or use;
- (4) The state of titling, registration, or use grants a credit against its sales, use, or similar excise tax for tax paid to this state;
- (5) The consumer executes the affidavit specified in division (C) of this section.

The vendor shall collect the tax and remit it to the state in the manner specified by the tax commissioner.

(B) If all of the conditions specified in division (A) of this section exist, except that the state of titling, registration, or use does not grant a credit for sales or use tax paid to this state, or that the



consumer's ownership or use of the watercraft or outboard motor is exempt or otherwise not taxable in such other state, the consumer may take title to and possession of the watercraft or outboard motor without payment of any sales or use tax to this state.

(C) Every nonresident consumer who purchases a watercraft or outboard motor, as described in division (A) of this section, for immediate removal from this state shall execute an affidavit in duplicate, in such form as the tax commissioner specifies, affirming such facts and specifying the consumer's tax liability in the intended state of titling, registration, or use. The affidavit shall be given to the vendor. The vendor shall retain a copy of the affidavit and file another copy with the clerk of the court of common pleas if the vendor is procuring an Ohio title on behalf of the consumer. The original copy of the affidavit shall be filed with the tax commissioner in the manner prescribed by the tax commissioner.

(D) If the vendor procures a title on behalf of the nonresident consumer from the clerk of the court of common pleas of the county where the vendor is located on the sale of a watercraft or outboard motor, the vendor shall file the affidavit specified in division (C) of this section with the clerk. The clerk shall issue the title without requiring payment of a sales or use tax.

(E) If the watercraft or outboard motor is purchased by a corporation described in division (B)(6) of section 5739.01 of the Revised Code, for purposes of this section the state of residence of the consumer shall be the state of residence of the principal shareholder.

(F) For purposes of this section, the consideration received for watercraft trailers not required to be titled pursuant to Chapter 4505. of the Revised Code and other accessories, which are transferred to a nonresident consumer with the watercraft or outboard motor, is part of the price of the watercraft or outboard motor, provided that such consideration is included in the price of the watercraft or outboard motor as reported by the vendor. Tangible personal property sold separately to the nonresident consumer shall be taxed as otherwise provided in this chapter and Chapter 5741. of the Revised Code.

(G) A vendor who in good faith accepts an affidavit provided by a nonresident consumer pursuant to division (C) of this section may rely upon the representations made in the affidavit.



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(H) All provisions of this chapter and of Chapter 5741. of the Revised Code that are not inconsistent with this section apply to transactions described in this section.

(I) Any vendor who makes sales described in this section shall file with the tax commissioner any supplemental report or return the tax commissioner considers necessary for the efficient administration and enforcement of this section.