



**THE ATTORNEY GENERAL
OF TEXAS**

AUSTIN 11, TEXAS

WILL WILSON
ATTORNEY GENERAL

March 19, 1958

*overruled by
M-141 to extent
of any conflict*

Hon. Robert S. Calvert
Comptroller of Public Accounts
Capitol Station
Austin, Texas

OPINION NO. WW 390

Re: If an applicant (an authorized licensed dealer) for initial registration of a motor vehicle in his or its own name truthfully affirms on oath that he purchased the vehicle "for the exclusive purpose of resale and not for use other than to demonstrate same to prospective purchasers thereof in an effort to effect the resale thereof," would either of the taxes imposed by Sec. 1(a) and Sec. 2(a) of Article 7047k, VACS, be due?

Dear Mr. Calvert:

You request the opinion of this office on the following question:

"If an applicant (an authorized licensed dealer) for initial registration of a motor vehicle in his or its own name truthfully affirms on oath that he purchased the vehicle 'for the exclusive purpose of resale and not for use other than to demonstrate same to prospective purchasers thereof in an effort to effect the resale thereof,' would either of the taxes imposed by Sec. 1 (a) and Sec. 2(a) of Article 7047k, VACS, be due?"

In order to make your question specifically applicable to the facts upon which you request the opinion we have inserted in parenthesis after the word applicant "an authorized licensed dealer".

Under the facts submitted by you, we hold that neither the sales tax nor use tax imposed by Sections 1 and 2 respectively of Article 7047k, Vernon's Civil Statutes, would be due on the demonstration cars of authorized licensed dealers until such cars are sold. Whether a sales or use tax would then accrue would depend upon the facts.

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We do not pass upon the right, method and form of registration of such cars, by such authorized licensed dealers, as this question is not before us.

S U M M A R Y

Demonstration cars of authorized licensed motor vehicle dealers are not subject to either the sales tax or use tax imposed by Sections 1 and 2 respectively of Article 7047k, V.C.S. until such cars are sold.

We do not pass upon the right, method and form of registration of such cars, by such authorized licensed dealers, as this question is not before us.

Yours very truly

WILL WILSON
Attorney General of Texas

By 
L. P. Lollar
Assistant Attorney General

LPL/fb

APPROVED:

OPINION COMMITTEE

George P. Blackburn, Chairman

Houghton Brownlee, Jr.

Cecil C. Rotsch

F. C. (Jack) Goodman

REVIEWED FOR THE ATTORNEY GENERAL

By: W. V. GEPPERT