



OHIO LEGISLATIVE SERVICE COMMISSION

Bill Analysis

Sam Benham

H.B. 216

132nd General Assembly
(As Introduced)

Reps. Hambley and Brinkman, McColley, DeVitis, Kick, Carfagna, Koehler, Reineke, Dean, Riedel, Romanchuk, Lipps, Goodman, Merrin, Green, Henne, Greenspan, Thompson, Rogers, Leland, Bocchieri, Becker

BILL SUMMARY

- Authorizes a sales and use tax trade-in credit for the purchase of a used motor vehicle from a licensed dealer.

CONTENT AND OPERATION

Trade-in credit for used vehicles

The bill authorizes a sales and use tax trade-in credit for the purchase of a used motor vehicle from a licensed dealer. Under current law, for sales and use tax purposes, the taxable "price" of a new motor vehicle purchased from a licensed dealer is reduced by the value of a trade-in motor vehicle. The bill applies the same treatment to the purchase of a used motor vehicle, beginning with the first full month that begins after the bill's effective date.¹

The existing and the proposed trade-in credit for motor vehicles is an exception to the general manner in which sales and use taxes are determined. Generally, the "price" on the basis of which the tax is computed includes not only cash paid but the monetary value of anything else given in exchange, including property or services.

HISTORY

ACTION

DATE

Introduced

05-10-17

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¹ R.C. 5739.01(H)(2); Section 3.