Trade-in Sales Tax Credit Increase

Agency: Secretary of State

Date: December 2017

Effective January 1, 2018 - Partial Trade-in Sales Tax Credit Increases By $500

Sales Tax Trade-In Credit

Beginning January 1, 2018, owners trading in a motor vehicle or trailer coach receive a sales tax credit for the vehicle’s trade-in value up to a maximum of $4,000. This is a $500 increase from the present maximum of $3,500. The partial sales tax trade-in credit increases by law $500 annually.

Trade-In Sales Tax Credit Calculation Worksheet

Implementation of the sales tax trade-in credit requires new calculations on transactions with a trade-in.

The Department created a 2018 Trade-In Sales Tax Credit Calculation Worksheet to help correctly calculate the trade-in sales tax credit. The website version of the 2018 worksheet calculates the correct trade-in sales tax credit but is not submitted with the RD-108 to the Secretary of State. This worksheet is available on the Department’s Website under Licensed Dealer Forms and can be accessed using the following link:

http://www.michigan.gov/sos/0,4670,7-127-49534_50304--,00.html

Contact Information for Questions

Frequently asked questions (FAQs) have been updated for vehicle dealers on the Secretary of State Website to find answers related to the sales tax trade-in credit. This bulletin is available on the Department’s Website under Legislation and Rules and can be accessed using the following link:

http://www.michigan.gov/sos/0,4670,7-127-49534_50300_78624--,00.html

Questions may also be directed to the Department of State Information Center toll-free number at (888) 767-6424 8:30 a.m. to 5:00 p.m. Monday through Friday.

Dealers with specific sales tax questions may contact the Michigan Department of Treasury’s Technical Services Section at 517-636-4357.