



## MICHIGAN DEPARTMENT OF STATE

Ruth Johnson, Secretary of State

Lansing, Michigan 48918-0001

### **Trade-in Sales Tax Credit Increase**

Agency: Secretary of State

Date: December 2018

Effective January 1, 2019 - Partial Trade-in Sales Tax Credit Increases By \$1,000

### **Sales Tax Trade-In Credit**

Public Acts 1 & 2 of 2018 change the maximum trade-in value partial sales tax trade-in credit from \$500 to \$1,000 increments annually. **Beginning January 1, 2019, owners trading in a motor vehicle receive a sales tax credit for the vehicle's trade-in value up to a maximum of \$5,000.** This is a \$1,000 increase from the present maximum of \$4,000.

### **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 **2019 Trade-In Sales Tax Credit Calculation Worksheet** to help correctly calculate the trade-in sales tax credit. The website version of the 2019 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](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](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.