



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 2016

Effective January 1, 2017 - Partial Trade-in Sales Tax Credit Increases By \$500

Sales Tax Trade-In Credit

Beginning January 1, 2017, 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 **\$3,500**. This is a \$500 increase from the present maximum of \$3,000. The partial sales tax trade-in credit increases by law \$500 annually.

RD-108T Supplemental Vehicle Trade-In Sales Tax Credit Form

Implementation of the sales tax trade-in credit requires new calculations on transactions with a trade-in. A 2017 RD-108T Supplemental Vehicle Sales Tax Credit Form has been created to help dealers comply with the acts and enable customers to clearly see and understand the application of the trade-in sales tax credit.

The 2017 RD-108T will be used by new and used vehicle dealers when selling a vehicle with a trade-in. The website version of the 2017 form will calculate the correct trade-in sales tax credit and disclose to the purchaser the amount of the sales tax credit.

Effective January 1, 2017, dealers must complete and submit the 2017 RD-108T form on all vehicle transactions with a trade-in.

The RD-108T form is submitted with the RD-108 Application for Title and Registration to the branch office or with the Computerized Vehicle Registration (CVR) submission. This will enable the Secretary of State to ensure the trade-in information was accurately calculated and to maintain this information as part of the vehicle's title history.

Page two of the 2017 RD-108T form lists step by step directions for dealers to follow to properly complete and submit the 2017 RD-108T supplemental form.

You can access the link to Automotive Related Businesses on the Secretary of State's website or click on the following link to Form and Publication Updates to access the 2017 RD-108T form:

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

Here you will find links to two versions of the RD-108T.

One version allows on line entry of sales price and trade-in credit amounts, and then calculates the total taxable price and sales tax due. The other version does not perform calculations and is used when hand

written entries are entered. Either form is printable and can be used to comply with the requirements of the public acts.

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 under the link to Legislation and Rules:

http://www.michigan.gov/documents/sos/PA_159_160_2013_FAQ_442206_7.pdf

Questions can be directed to the Secretary of State Website mailbox:

<http://www.michigan.gov/sos/0,4670,7-127-13162-25634--,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.