

Title 35 Mississippi State Tax Commission

Part VII Motor Vehicles

Subpart 04 – Dealer

Chapter 01 Motor Vehicle Dealer Permit

100 Definitions~~Permit Requirements~~

101 Definitions - The following words and phrases, when used in this regulation, shall ~~for purposes thereof~~ have the meaning ~~respectively ascribed thereto~~ as follows:

1. “Motor vehicle” shall mean every vehicle intended primarily for use and operation on the public highways, which is self-propelled and every vehicle intended primarily for operation on the public highways, which is not driven or propelled by its own power, but which is designed either to be attached to and become a part of or to be drawn by a self-propelled vehicle, but not including farm tractors and other machines and tools used in production, harvesting and care of farm products.
2. “Person” shall mean every natural person, firm, co-partnership, association or corporation.
3. “Motor vehicle dealer” shall mean any business engaged in the selling or exchanging of new motor vehicles, ~~or~~ new and used motor vehicles or used motor vehicles; and, which has an established place of business open for inspection at any time by any peace officer or the Chairman of the Mississippi State Tax Commission or one of his authorized representatives during reasonable hours; and, which buys and sells or exchanges at least twenty-four (24) motor vehicles per year that are the same motor vehicle type for which distinguishing number tags are being sought under this article. For purposes of this paragraph each of the following categories shall be considered a different motor vehicle type:
 - a. Motor vehicles (as defined under Section 27-19-3) with a gross vehicle weight (as defined under Section 27-19-3) of less than sixteen thousand (16,000) pounds, not including motorcycles;
 - b. Motorcycles;
 - c. Trailers, semitrailers and house trailers; and
 - d. Motor vehicles not included in subparagraphs ~~(a)~~, ~~(b)~~ and ~~(c)~~ of this paragraph.
4. “Dealer” shall mean such of the principal officers of a corporation registered as a motor vehicle dealer, and such of the partners of a co-partnership registered as a motor vehicle dealer as are actively and principally engaged in the motor vehicle business. The term “dealer” shall not include:
 - a. Directors, stockholders or inactive partners; or

- b. Receivers, trustees, administrators, executors, guardians, or other persons appointed by or acting under any judgment or order of any court, whether state or federal; or
 - c. Public officers, including state, county, or municipal employees, while performing their official duties; or
 - d. Persons disposing of motor vehicles acquired for their own use and actually so used when the same shall have been used, so acquired in good faith, and not for the purpose of avoiding the provisions of this articles; or
 - e. ~~Persons who shall sell motor vehicles as an incident to their principal business but who are not engaged primarily in selling motor vehicles. The foregoing shall include only f~~Finance companies or banks which sell repossessed motor vehicles, and insurance companies which sell motor vehicles which they have taken into their possession as an incident of payment made under policies of insurance, and which do not maintain a used car lot or building with one (1) or more employed motor vehicle salesmen.
5. “New motor vehicle dealer” shall mean a business dealing in new motor vehicles, tractors, trailers, or semitrailers, or new and used motor vehicles, tractors, trailers, or semitrailers.
6. “Used motor vehicle dealer” shall mean a business dealing in used motor vehicles, tractors, trailers, or semitrailers. “Automobile dismantlers” shall also be classified as used motor vehicle dealers.
7. “Limited motor vehicle dealer” or “limited dealer” shall mean a business dealing in new or used vehicles which buys and sells or exchanges fewer than the number of motor vehicles required to be sold or exchanged in order to fall within the definition of the term “motor vehicle dealer” and is granted a limited license at the discretion of the Chairman. Such license will convey all of the privileges of a “motor vehicle dealer” except that a limited motor vehicle dealer will not be entitled to purchase or use dealer tags. Limited dealers will otherwise be bound by the provisions of this regulation.
8. “Established place of business” shall mean any place owned or leased and regularly occupied by any person for the primary and principal purpose of engaging in selling, buying, bartering, exchanging or dealing in motor vehicles, tractors, trailers or semitrailers, where ~~rether~~ same may be displayed or offered for sale and where the books and records required of the conduct of such business are maintained and kept. Established places of business may include a location intended for the temporary offering of motor vehicles, tractors, trailers or semitrailers for sale. Such temporary locations must meet all the requirements of other permanently established places of business. Established places of business, once licensed, shall be open for inspection at any time by any peace officer or employee of the State Tax Commission during reasonable hours. To constitute a place of business, it shall be apparent that there is a holding out to the general public that an establishment is offering motor vehicles, tractors, trailers or

semitrailers for sale. There shall be an office separate from and not in conjunction with or related to any other business for the purpose of transacting the business of offering motor vehicles, tractors, trailers or semitrailers for sale, or in lieu of such office there shall be:

- a. A sign ~~at least eight (8) feet long and four (4) feet tall~~, indicating the name of the business, the name of the owner, telephone number, and that the business is a motor vehicle dealer. It must be clearly visible and located at the front of the lot, and;
- b. A lot which is separate and apart from any other business. If the lot adjoins the lot of any other business, the separation must be by means of a fence, a method clearly indicating that the area is used for the purpose of offering motor vehicles, tractors, trailers or semitrailers for sale.

9. "Automobile dismantler" shall mean any person who maintains an established place of business and who is engaged in the business of buying, selling or exchanging used motor vehicles, mobile homes or house trailers for the purpose of remodeling, taking apart or rebuilding same or buying and selling of parts of used motor vehicles.

10. "Automobile auction" shall mean any person, firm, association, corporation or trust, resident or nonresident, acting as an agent for the purchaser or seller of motor vehicles.

11. "Chairman" shall mean the Chairman of the State Tax Commission.

12. "Commission" shall mean the State Tax Commission.

13.

~~102~~—"Full time employee" shall mean any employee working at the minimum 30 hours per week and received monetary compensation for such hours. Proof of such employment may be required when questioning the use of a dealer tag. Such proof may be, but is not limited to, copy of the W-2 form, time sheet or MESC UI-3 form.

~~1023~~ A dealer shall make application for a dealer tag permit to the State Tax Commission on forms prescribed and furnished to him. The commission then shall issue a permit containing name and address of the dealership and any other information the commission deems necessary. The application shall be accompanied by a fee of one hundred dollars (\$100.00).

~~1034~~ To obtain dealer tags, which after October 31, 1993, will be a distinguishing ~~color~~number, the dealer must remit forty-three dollars and seventy-five cents (\$43.75) for each tag up to twelve tags. Additional dealer tags may be purchased at a cost of eighty-three dollars and seventy-five cents (\$83.75).

~~1045~~ A dealer engaged only in buying, selling or exchanging motorcycles may purchase a motor vehicle dealer tag permit at a cost of fifty dollars (\$50.00). Dealer tags for motorcycles may be purchased for fourteen dollars and seventy-five cents (\$14.75) each and may only be displayed on motorcycles.

- | ~~1056~~ A dealer engaged only in buying, selling, or exchanging trailers, semitrailers, or house trailers may purchase a motor vehicle dealer tag permit at a cost of seventy-five dollars (\$75.00). Dealer tags for trailers may be purchased for eighteen dollars and seventy-five cents (\$18.75) each and may only be displayed on trailers.
- | ~~1067~~ A manufacturer or manufacturer's branch located in Mississippi may purchase dealer tags for delivering to and from such factory at a cost of eighteen dollars and seventy-five cents (\$18.75) each.
- | ~~1078~~ A heavy truck dealer may purchase not more than three (3) dealer tags for use on heavy trucks at a cost of one hundred thirty-three dollars and seventy-five cents (\$133.75) each.
- | ~~1089~~ Limited dealers are not eligible to purchase dealer tags.
- | ~~10910~~ Dealers will be required to justify the number of dealer tags requested when such number exceeds the number of full-time employees of the dealership.
- | ~~1101~~ (Reserved)

200 Dealer's Use of Distinguishing Number Tags

- 201 A motor vehicle bearing a motor vehicle dealer distinguishing number tag assigned to a motor vehicle dealer may be operated by a dealer, his authorized representative or customer as provided in this regulation for the following purposes and uses:
1. For the purpose of testing and adjusting such vehicle in the vicinity of the dealer's place of business.
 2. ~~For purpose connected with business of purchasing, selling or exchanging motor vehicles including such used by a dealer or his salesman or other bona fide employee as may be reasonable in showing, exhibiting, displaying or demonstrating vehicles for sale.~~
 3. ~~For demonstration purposes by prospective purchasers, dealers or full-time employees of the dealership.~~
 4. For a one-time demonstration of a heavy truck, either empty or under load, by prospective bona fide purchasers. However, any such use shall be limited to a period of not more than four (4) days. Any person operating a heavy truck under the provisions of this paragraph shall carry with him at all times while operating such truck written authority to do so signed by the dealer. A copy of such authorization shall be retained by the dealer.
 - ~~35.~~ For business or demonstration use of the dealer or any full-time employee of the dealership or prospective purchaser.
 - ~~46.~~ For use by a customer whose vehicle is being repaired by the dealer, but such use shall not extend longer than ten (10) days and shall be authorized

by the dealer in writing. Such authorization must be kept in the vehicle while in use.

202 Proper Use of a Dealer Tag Shall Not Include the Following:

1. Use by family members of the dealer or employees of the dealership who are not full-time employees, ~~or by family members of employees of the dealership.~~
2. Use by owner, director, stockholders or partners of the dealership who are not full-time employees of the dealership.
3. Use by receivers, trustees, administrators, executors, guardians, or other persons appointed by or acting under any judgment or order of any court, whether state or federal.
4. Use by public officials, including state, county, or municipal employees, while performing their official duties or commuting to or from the locations where they perform their official duties.
5. Commuting to and/or from school by a full-time student or teacher, or commuting by anyone to or from any other employment not directly associated with the dealership. This includes other businesses owned by the owner of the dealership or other employment of the full time employees of the dealership.
6. Use of a dealer tag on a vehicle which is not for sale by the dealer, or use of a dealer tag on a vehicle which is titled to the dealer or a full-time employee of the dealership. Also any vehicle in inventory that is used for the purpose of all service vehicles, tow trucks, wreckers, flat beds and courtesy vans.
7. Non-educational use of those tags assigned to schools for driver education purposes,
8. Use by persons having their vehicles repaired by the dealership if the "loaner" vehicle does not contain the required statement from the dealer or if the use exceeds the (10) days, and
9. Non-business use, except when operated by the owner of the dealership or full-time dealership personnel, on a vehicle in inventory and available for sale.

203 The proper use of dealer tags will be strictly enforced. Dealers will be periodically required to verify to the Chairman or his agents that dealer tags are being used properly. Such verification will be furnished at the dealer's business location. The dealer will provide clear evidence that the dealer tags are being used in accordance with this regulation.

204 Misuse of dealer tags may result in the forfeiture of such tags.

205 Failure to adhere to any of the provision of this regulation may result in the revocation of the Motor Vehicle Dealer Permit.

206 (Reserved)

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 - d. Motor vehicles not included in subparagraphs (a), (b) and (c) of this paragraph.
4. “Dealer” shall mean such of the principal officers of a corporation registered as a motor vehicle dealer, and such of the partners of a co-partnership registered as a motor vehicle dealer as are actively and principally engaged in the motor vehicle business. The term “dealer” shall not include:
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- b. Receivers, trustees, administrators, executors, guardians, or other persons appointed by or acting under any judgment or order of any court, whether state or federal; or
 - c. Public officers, including state, county, or municipal employees, while performing their official duties; or
 - d. Persons disposing of motor vehicles acquired for their own use and actually so used when the same shall have been used, so acquired in good faith, and not for the purpose of avoiding the provisions of this articles; or
 - e. Finance companies or banks which sell repossessed motor vehicles, and insurance companies which sell motor vehicles which they have taken into their possession as an incident of payment made under policies of insurance, and which do not maintain a used car lot or building with one (1) or more employed motor vehicle salesmen.
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transacting the business of offering motor vehicles, tractors, trailers or semitrailers for sale, or in lieu of such office there shall be:

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3. For business or demonstration use of the dealer or any full-time employee of the dealership or prospective purchaser.
4. For use by a customer whose vehicle is being repaired by the dealer, but such use shall not extend longer than ten (10) days and shall be authorized by the dealer in writing. Such authorization must be kept in the vehicle while in use.

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2. Use by owner, director, stockholders or partners of the dealership who are not full-time employees of the dealership.
3. Use by receivers, trustees, administrators, executors, guardians, or other persons appointed by or acting under any judgment or order of any court, whether state or federal.

4. Use by public officials, including state, county, or municipal employees, while performing their official duties or commuting to or from the locations where they perform their official duties.
 5. Commuting to and/or from school by a full-time student or teacher, or commuting by anyone to or from any other employment not directly associated with the dealership. This includes other businesses owned by the owner of the dealership or other employment of the full time employees of the dealership.
 6. Use of a dealer tag on a vehicle which is not for sale by the dealer, or use of a dealer tag on a vehicle which is titled to the dealer or a full-time employee of the dealership. Also any vehicle in inventory that is used for the purpose of all service vehicles, tow trucks, wreckers, flat beds and courtesy vans.
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- 204 Misuse of dealer tags may result in the forfeiture of such tags.
- 205 Failure to adhere to any of the provision of this regulation may result in the revocation of the Motor Vehicle Dealer Permit.
- 206 (Reserved)