

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 86

BY REVENUE AND TAXATION COMMITTEE

AN ACT

RELATING TO SALES TAX; AMENDING CHAPTER 36, TITLE 63, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 63-362200, IDAHO CODE, TO PROVIDE A SALES TAX EXEMPTION FOR THE LABOR COST OF ADDING ACCESSORIES TO A NEW VEHICLE.

Be It Enacted by the Legislature of the State of Idaho:

SECTION 1. That Chapter 36, Title 63, Idaho Code, be, and the same is hereby amended by the addition thereto of a NEW SECTION, to be known and designated as Section 63-362200, Idaho Code, and to read as follows:

63-362200. LABOR FOR NEW VEHICLE ACCESSORIES. (1) There is hereby exempted from the taxes imposed by this chapter a motor vehicle dealer's labor or service charge to add accessories to new factory-delivered vehicles, when sold in conjunction with the new vehicle.

(2) For the purposes of this section:

(a) "Accessories" means an object, feature, or device that does not come standard with a motor vehicle to a motor vehicle dealer from a vehicle manufacturer or distributor, but may be ordered by the retail customer as an addition to the motor vehicle to enhance the performance, effectiveness, or beauty of the motor vehicle. Examples include, but are not limited to, saddlebags for a motorcycle, truck bed coating, and storage racks, chemical or film paint sealant, rustproofing, undercoating, stereo or sound systems, anti-theft devices, alarm systems, wheel locks, window tinting, splash guards, or fabric protection for motor vehicles. "Accessories" does not mean a service or maintenance contract.

(b) "Motor vehicle" means a passenger car, moped, motorbike, motorcycle, motor-driven cycle, motorized wheelchair, electric personal assistive mobility device, neighborhood electric vehicle, specialty off-highway vehicle, all-terrain vehicle, utility type vehicle, all as defined in chapter 1, title 49, Idaho Code, or a vessel, as defined in section 63-3622R(a)(4), Idaho Code, or any other motorized vehicle not described in this paragraph. "Motor vehicle" does not mean aircraft as defined in section 21-101, Idaho Code, a bus, motor home, recreational vehicle, park model recreational vehicle, farm tractor or other self-propelled farm equipment, any type of trailer, special mobile equipment, commercial vehicle or truck exceeding eight thousand (8,000) pounds, or authorized emergency vehicle, all as defined in chapter 1, title 49, Idaho Code.