

## Sales of Watercraft and/or Outboard Motors to Nonresidents of Ohio

The Ohio sales tax applies to sales of watercraft and outboard motors (either titled or documented) to nonresidents of the state of Ohio provided the nonresident's state imposes a sales, use, excise or similar tax on the sale. The rate of tax to apply to the sale price is the lower of the rate at the dealer's location in Ohio or the rate in the jurisdiction in the resident state where the customer will title, register or use the watercraft or motor. If there is no sales tax imposed or credit for taxes paid in Ohio is not granted by the resident state, then no tax should be collected by the Ohio boat dealer. See Ohio Revised Code section 5739.027 for more information.

The Nonresident Watercraft and/or Outboard Motor Sales Tax Return (Ohio form ST WC NR) is to be used by Ohio watercraft dealers to report sales of watercraft and titled outboard motors to residents of other states. Sales to nonresidents are not to be reported on the regular vendor's license return, Ohio form UST 1. Follow these instructions for reporting the sales and use tax on sales to nonresidents.

**Step 1:** For every sale of a titled watercraft or outboard motor to a resident of another state, the purchaser must complete Ohio form ST WC AFF, Watercraft and Outboard Motor Affidavit Regarding Sales to a Nonresident. This form determines the amount of tax due for the sale. The Ohio tax base is the price of the watercraft or outboard motor, less the amount allowed for a trade-in of a like item if the dealer is licensed with the Ohio Department of Natural Resources. The Ohio tax amount is the Ohio tax base multiplied by the tax rate in effect in the county of the watercraft dealer. The tax due in the nonresident's state must also be disclosed. The lesser of these two amounts will be reported on the Nonresident Watercraft and/or Outboard Motor Sales Tax Return. As a guide to determine other states' rates and if they grant a credit for taxes paid in Ohio, see the Sales Tax Watercraft Survey\* under the sales tax section of the Department of Taxation's Web site at tax.ohio.gov.

**Step 2:** Complete page 2 of the Nonresident Watercraft and/or Outboard Motor Sales Tax Return for every sale to a nonresident, whether tax is due to Ohio or not.

**Purchaser's Last Name** – Enter the purchaser's last name exactly as it appears on the nonresident affidavit that you must attach to and submit with the return.

**Purchaser's State of Residence** – Enter the nonresident's state of residence.

**Ohio County of Sale** – Enter the county of the watercraft dealer.

**Ohio Tax Base Amount from Affidavit** – Enter Ohio's tax base from the affidavit.

**Tax Collected** – Enter the lower of the Ohio tax or the tax due in the other state. These should be listed on the affidavit.

**Total Tax Collected** – Total the tax collected column and carry forward to line 1 on page 1 of the return.

**Step 3:** Complete page 1 of the Nonresident Watercraft and/or Outboard Motor Sales Tax Return.

**Line 1: Total tax collected** – This amount should be carried forward from the Total Tax Collected line on page 2.

**Line 2: Discount** – If the return is received by the Department of Taxation by the due date, enter .75% (.0075) of the tax on line 1.

**Line 3: Additional charge** – If the return will not be received by the due date, enter an additional charge of \$10 for filing late.

**Line 4: Net amount due** – Enter the amount from line 1 minus line 2 or line 1 plus line 3. Complete the return with your signature, the date, a telephone number and an e-mail address.

**Step 4:** Mail the return to the Ohio Department of Taxation, P.O. Box 530, Columbus, OH 43216-0530. If tax is due, make your check payable to Ohio Treasurer of State.

\*Use only as a guide. Rates in other states and local jurisdictions are subject to change.