

Gross Receipts:

Ohio: Motor Vehicle Sales to Ohio Customers at Out-of-State Locations Not Subject to CAT

Case No. 2022-422, Ohio Bd. of Tax App. (10/23/24). In a case involving a group of out-of-state car dealerships that sold motor vehicles to Ohio customers, the Ohio Board of Tax Appeals (Board) vacated an Ohio commercial activity tax (CAT) assessment, holding that the dealerships successfully showed that because the entire vehicle sales transactions (*i.e.*, purchase, receipt, and delivery) occurred outside Ohio (in this case, in West Virginia), the gross receipts from these sales could not statutorily be *sitused* to Ohio and were *not* subject to Ohio's CAT. In doing so, the Board noted that the entire transactions were consummated in West Virginia as the Ohio customers drove to West Virginia to receive their respective vehicles and concluded that the Ohio Department of Taxation's interpretation of the "transportation clause" under Ohio Rev. Code section 5751.033(E) was "misplaced and incorrect" given that, in this case, there was no transportation of the vehicles to Ohio by commercial carrier. Please contact us with any questions.

URL: <https://ohio-bta.modria.com/casedetails/524475>

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