



Vehicle Title and Registration

Position Statement

May 2018

Sales Tax for Class I and Class II Off-Highway Vehicles

The law allows off-highway vehicles to be registered as Class I or Class II off-highway vehicles with their operation restricted to county roads. This position statement provides guidance on when to collect sales tax for vehicles that are registered under Tenn. Code Ann. § 55-4-701, if they were purchased using an agricultural exemption certificate.

As long as the vehicle in question is still being used principally (more than 50 percent of the time) for the purpose of producing agricultural products, the subsequent registration of the vehicle does not invalidate the agricultural exemption.

If the vehicle in question is still being used principally for the purpose of producing agricultural products, clerks should not collect sales tax or use tax upon the registration of that vehicle. However, if the vehicle in question is not being used principally for the purpose of producing agricultural products, clerks should collect sales tax for that vehicle. To distinguish between these situations, clerks should ask to see the registrant's valid agriculture exemption certificate or fully completed streamlined sales tax certificate of exemption.

Trucks, including mini-trucks, are not exempt from sales tax even with an agriculture exemption certificate.

For specific examples of vehicle types that may be registered as Class I and II off-highway vehicles, please refer to the table below. Remember that ATVs, dirt bikes, and other saddle-seated vehicles may not be registered as Class I or Class II vehicles.

Class I (Plate Class Code 5610/2016)	Mini-trucks and side-by-side vehicles
Class II (Plate Class Code 5611/2016)	Sand buggies, dune buggies, rock crawlers, and sand rails

References : Tenn. Code Ann. §§ 55-4-701; 55-8-185; 55-8-203; 67-6-102(9)(c); 67-6-207(a).

Disclaimer: The information provided here is current as of the date of publication but may change as a result of new statutes, regulations, or court decisions. While this notice is intended to be comprehensive, events and situations unanticipated by this notice may occur. In such cases you should contact the department or your tax professional for further guidance.