

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 348

BY REVENUE AND TAXATION COMMITTEE

AN ACT

RELATING TO THE SALES AND USE TAX; AMENDING SECTION 63-3622R, IDAHO CODE, TO
ADD PADDLEBOARDS AND SIMILAR VESSELS TO THE LIST OF WATERCRAFT THAT ARE
TAXABLE TO NONRESIDENTS EVEN IF USED OUTSIDE OF THE STATE.

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

SECTION 1. That Section 63-3622R, Idaho Code, be, and the same is hereby
amended to read as follows:

63-3622R. MOTOR VEHICLES, USED MANUFACTURED HOMES, VESSELS, ALL-TERRAIN
VEHICLES, TRAILERS, UTILITY TYPE VEHICLES, SPECIALTY OFF-HIGHWAY VEHICLES,
OFF-ROAD MOTORCYCLES, SNOWMOBILES AND GLIDER KITS. There are exempted
from the taxes imposed by this chapter:

(a) Sales to nonresidents of motor vehicles, trailers, vessels, all-terrain
vehicles (ATVs), utility type vehicles (UTVs), specialty off-highway vehicles
(SOHVs), motorcycles intended for off-road use and snowmobiles, for use
outside of this state even though delivery be made within this state, but
only when:

(1) The motor vehicles, vessels, ATVs, UTVs, SOHVs, motorcycles intended
for off-road use, snowmobiles or trailers will be taken from the point of
delivery in this state directly to a point outside this state; and

(2) The motor vehicles, vessels, ATVs, UTVs, SOHVs, motorcycles intended
for off-road use, snowmobiles and trailers will be registered immediately
under the laws of another state, will be titled in another state if required
to be titled in that state, will not be used in this state more than sixty
(60) days in any twelve (12) month period, and will not be required to be
titled under the laws of this state.

(3) For the purpose of this subsection, the terms "all-terrain vehicle"
or "ATV," "utility type vehicle" or "UTV," and "specialty off-highway
vehicle" or "SOHV" mean all-terrain vehicle or ATV, utility type vehicle
or UTV, and specialty off-highway vehicle or SOHV as defined in section
67-7101, Idaho Code.

(4) For the purpose of this section, the term "vessel" means any boat
intended to carry one (1) or more persons upon the water which is either:

(i) Sold together with a motor; or

(ii) Eleven (11) feet in length or more, but shall not include canoes,
kayaks, paddleboards, ~~or~~ inflatable boats or similar watercraft,
unless such canoes, kayaks, paddleboards, ~~or~~ inflatable boats or
similar watercraft are sold together with a motor.

(b) Sale of used manufactured homes, whether or not such used
manufactured homes are sold for use outside this state, and whether or not
such used manufactured homes are sold by a dealer. Every manufactured home
sale after

1 its sale as a "new manufactured home," as defined in section 63-3606, Idaho
2 Code, is a sale as a used manufactured home.

3 (c) Sale or lease of motor vehicles with a maximum gross registered
4 weight over twenty-six thousand (26,000) pounds, which shall be immediately
5 registered under the international registration plan, whether or not base
6 plated in Idaho, and the sale or lease of trailers which are part of a fleet
7 of vehicles registered under the international registration plan when such
8 vehicles and trailers are substantially used in interstate commerce. If
9 such a motor vehicle or trailer is not substantially used in interstate com-
10 merce during any four (4) fiscal year quarters beginning July 1 and ending
11 June 30 of each year under the international registration plan, it shall be
12 deemed used in Idaho and subject to the use tax under section 63-3621, Idaho
13 Code. For the purpose of this subsection, "substantially used in interstate
14 commerce" means that the vehicles or trailers will be part of a fleet with a
15 minimum of ten percent (10%) of the miles operated by the fleet accrued out-
16 side of Idaho in any four (4) fiscal year quarters beginning July 1 and ending
17 June 30 of each year under the international registration plan.

18 (d) The sale or purchase of a glider kit when the glider kit will be used
19 to assemble a glider kit vehicle as defined in section 49-123, Idaho Code,
20 which will be immediately registered under a plan defined in subsection (c)
21 of this section, provided that if the glider kit vehicle is not substantially
22 used in interstate commerce as defined in subsection (c) of this section dur-
23 ing any registration period, it shall be subject to the use tax under section
24 63-3621, Idaho Code.

25 (e) The use or other consumption of a motor vehicle temporarily donated
26 to a driver's education program sponsored by a nonprofit educational insti-
27 tution as defined in section 63-36220, Idaho Code.