

**VESSEL TRADE-IN/TRADE-DOWN
SUPPLEMENTAL REPORTING FORM**

Mail Original with your Sales/Use Tax Return

FOR DEPARTMENT USE ONLY

For month ending:

Due on or before

TRADE IN

	RATE	COUNTY	TRADE IN VALUE		
1.	County Rate 6.850%			Calc Tax @ 4.850%	0.00
2.	County Rate 7.100%			Calc Tax @ 5.100%	0.00
3.	County Rate 7.600%			Calc Tax @ 5.600%	0.00
4.	County Rate 7.725%			Calc Tax @ 5.725%	0.00
5.	County Rate 8.375%			Calc Tax @ 6.375%	0.00
6.	County Rate 8.265%			Calc Tax @ 6.265%	0.00
Sub Total					0.00
Less .25% Collection Allowance					0.00
(A) Total Allowance					0.00

Subtract (A) from Line 26 on your regular Sales/Use Tax Return

TRADE DOWN (use when vessel sold is worth less than vessel taken in trade)

1.	Selling Price of New Vessel	
2.	Selling Price of New Vessel	
3.	Selling Price of New Vessel	
Sub Total		0.00
Tax @ 2%		0.00
Less .25% Collection Allowance		0.00
(B) Total Allowance		0.00

Add (B) to Line 26 on your regular Sales/Use Tax Return

Please note - Due to software limitations, if you use the interactive Combined Sales and Use Tax return available on the Departments website, you must manually write in the results for Line 26 after printing the return.

SIGNATURE	PHONE NUMBER
PRINT NAME	FEDERAL ID OR SOCIAL SECURITY NUMBER
TITLE	DATE

THIS SUPPLEMENTAL FORM MUST BE SENT ATTACHED TO YOUR REGULAR SALES AND USE TAX RETURN TO RECEIVE PROPER CREDIT.

This form is to be used as an account document to verify a transaction involving a “trade-in” or a “trade-down” and must be completed and filed **with** your tax return. In the event of a sales tax audit, this document is used to verify figures previously reported. **THIS SUPPLEMENTAL FORM MUST BE SENT ATTACHED TO THE REGULAR SALES/USE TAX FORM TO RECEIVE PROPER CREDIT.**

CALCULATING TAX ON TRADE-INS

In accordance with NRS 374.070 vessels accepted in trade on the **purchase** of another vessel are allowed a credit of 4.85, 5.10, 5.475, 5.60, 5.725 or 6.10 percent depending on the county of transaction. The credit allowed is based on the trade-in value. You must tax the vessel being purchased at 6.85, 7.10, 7.60, 7.725, 8.375 or 8.265 percent of the full selling price and deduct 4.85, 5.10, 5.60, 5.725, 6.25 or 6.265 percent tax of the value established for the vessel being traded in. These calculations, which are a part of the audit trail, must be clearly indicated on the sales agreement, as well as other records of the sale.

Example of trade-in transaction:

A customer buys a vessel from a vessel dealer located in Clark County at a selling price of \$11,850 and is allowed a trade-in of \$5,500 on his current vessel. The dealer will calculate 8.375 percent (.08375) on \$11,850 which equals \$992.44. He will then calculate 6.375 percent (.06375) on \$5,500 which amounts to \$350.63. The amount of tax due is the net difference of \$641.81.

Be certain the percentage used for calculation is the correct rate for the county where the transaction is taking place.

The SUPPLEMENTAL REPORTING FORM must be used to calculate trade-in transactions. Enter the total value of the trade-in on the appropriate county tax rate Line. Enter the calculated tax as shown for that county. Total the calculated tax amounts and deduct the .25 percent collection allowance. The total is then **deducted** from the total on Line 26 of your regular tax return. **Please note – Due to software limitations, if you use the interactive Combined Sales and Use Tax return available on the Department’s website, you must manually write in the results for Line 26 after printing the return.**

CALCULATING TAX ON TRADE-DOWNS

The Department has received inquiries from vessel dealers on how to properly calculate sales tax when a person is trading in a vessel of more value than the vessel being purchased. Legislative Counsel has advised the Department that the purchaser will always owe the 2 percent portion of the Sales/Use Tax, regardless of excess credit allowed on the value of the trade-in.

To calculate the amount of tax due for trade-downs, enter the selling price of the new vessel. Add the total amounts for selling price of the new vessel and calculate at 2.0 percent. Deduct .25 percent collection allowance. The total is **added** to the total on Line 26 of your regular tax return. **DO NOT INCLUDE THESE FIGURES IN YOUR TOTAL SALES** (Col. A on the regular return) **OR TRADE-IN VALUES ON THE REGULAR TAX RETURN.** **Please note – Due to software limitations, if you use the interactive Combined Sales and Use Tax return available on the Department’s website, you must manually write in the results for Line 26 after printing the return.**

Example of a trade-down transaction:

Purchaser buys a vessel with a sales price of \$5,000. Purchaser trades in a vessel on which the dealer will allow the value of \$10,000. As there is no credit allowed on the 2 percent portion of the sales tax, the purchaser will owe 2 percent(.02) of the purchase price of the vessel being purchased, or in this case, \$100.

Vessel - means every description of watercraft used or capable of being used as a means of transportation on water. The term does not include a canoe, float tube, kayak, rubber raft or seaplane.