



**Georgia Department of Revenue
Policy Bulletin SUT-2021-01
Exemption for Nonresident Purchases of Mechanically Propelled Watercraft**

Purpose: This Policy Bulletin provides guidance on the sales and use tax exemption for sales of mechanically propelled watercraft to individuals who reside outside of the State of Georgia.

Publication Date: May 12, 2021

Authority: O.C.G.A. § 48-8-3(33.1).

Scope: A Policy Bulletin is intended to provide guidance to the public and to Department personnel. It is a written statement issued to apply principles of law to a specific set of facts or a general category of taxpayers, superseding all conflicting documents and oral directives previously issued by the Department. A Policy Bulletin does not have the force or effect of law and is not binding on the public. It is, however, the Department's position and is binding on agency personnel until superseded or modified by a change in statute, regulation, court decision, or subsequent Policy Bulletin.

Issues:

- 1. Are purchases of watercraft by nonresidents of Georgia exempt from sales and use tax?**
- 2. What type of watercraft qualifies for the exemption?**
- 3. Is this exemption available to all purchasers?**
- 4. Is this exemption available to nonresident business entities?**
- 5. What form must a purchaser present to the dealer to make a purchase under this exemption?**
- 6. What steps must dealers take to satisfy the requirements of the exemption?**
- 7. What is the penalty for failure to report Form ST-W8 information on GTC?**
- 8. Must dealers report exempt sales on their Georgia sales tax returns?**

Discussion of Issues:

- 1. Are purchases of watercraft by nonresidents of Georgia exempt from sales and use tax?**

Effective May 7, 2021, sales of mechanically propelled watercraft by a dealer with a Georgia sales and use tax number to an individual who resides outside of the State of Georgia are exempt from Georgia state and local sales and use taxes, provided that

- (A) The purchaser will immediately transport the watercraft outside of the State of Georgia and use it exclusively outside of the State of Georgia;
- (B) The purchaser provides documentation of his or her out-of-state residency to the dealer on [Form ST-W8](#); and
- (C) As further described below, the dealer reports to the Department information about the sale and the purchaser's residency.

2. What type of watercraft qualifies for the exemption?

This exemption only applies to certain sales of mechanically propelled watercraft sold to individuals residing outside of the State of Georgia. A mechanically propelled watercraft is a watercraft propelled by machinery using a volatile liquid for fuel.

3. Is this exemption available to all purchasers?

No. The exemption is available only to nonresident purchasers (i) who will immediately transport the watercraft outside of the State of Georgia and use it exclusively outside of the State of Georgia and (ii) who provide documentation of out-of-state residency to the dealer.

4. Is this exemption available to nonresident business entities?

No. This exemption is available only to nonresident individuals.

5. What form must a purchaser present to the dealer to make a purchase under this exemption?

Purchasers must present a fully and accurately completed [Form ST-W8](#).

6. What steps must dealers take to satisfy the requirements of the exemption?

Dealers selling at retail bear the burden of proving that a sale of watercraft is not subject to sales and use tax. Dealers may satisfy this burden by accepting in good faith a copy of the purchaser's non-Georgia official state identification card (such as a driver's license) and a copy of [Form ST-W8](#) that has been fully and accurately completed by the purchaser. Dealers are required to keep and preserve for no less than three years copies of purchasers' identification cards, copies of completed [Form ST-W8](#), bills of sale, invoices, and all other records required to be preserved by dealers under O.C.G.A. § 48-8-52.

In addition, on March 31, 2022 and annually thereafter, dealers must report on the Georgia Tax Center (GTC) website information that is collected on [Form ST-W8](#) from nonresidents making exempt purchases during the previous calendar year. Dealers will not be required to upload documentation of a purchaser's residency or bill of sale but are required to keep such information on file, as previously noted. Further instructions on how to report [Form ST-W8](#) information on GTC will be provided on the Department's website at <https://dor.georgia.gov/sales-use-tax-instructions>.

7. What is the penalty for failure to report Form ST-W8 information on GTC?

Dealers who fail to properly report information from Form [ST-W8](#) on GTC may be liable for the sales tax on the unreported or improperly reported sales.

8. Must dealers report exempt sales on their Georgia sales tax returns?

Yes. Please visit the Department's website for [tips on completing the sales and use tax return](#).

For more information, please contact the Department at 1-877-423-6711 from 8:00 a.m. to 5:00 p.m. ET, Monday through Friday, excluding holidays. For forms and other information, visit the Department's website at dor.georgia.gov.