



---

**Georgia Department of Revenue  
Informational Bulletin 2011-12-12  
Application of Sales Tax to Watercraft and Trailers Sold by a Georgia Dealer**

---

- 1) **The purpose of this Informational Bulletin is to provide guidance to boat dealers located in Georgia.**
- 2) **Effective Date:** December 12, 2011.
- 3) **Supersedes:** All previous documents and any oral directives in conflict herewith.
- 4) **Authority:** O.C.G.A §§ 48-5-440, 48-8-2, 48-8-3, 48-8-30, 48-8-42, 48-8-77, 48-8-90, 48-8-105, 48-8-116, 48-8-207; Ga. Comp. R. & Regs. r. 560-12-1-.07, 560-12-1-.32, 560-12-4-.05, 560-12-5-.05, 560-12-6-.05, and 560-12-7-.05.
- 5) **Scope: An Informational 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. An Informational 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 It is, however, the Department's position and is binding on agency personnel until superseded or modified by a change in statute, regulation, court decision, or advisory opinion.**
- 6) **Issue(s):**
  - A) **How is sales tax appropriately applied to dealer sales of watercraft delivered to a purchaser in Georgia?**
  - B) **How is sales tax appropriately applied to dealer sales of trailers delivered to a purchaser in Georgia?**
  - C) **How is sales tax appropriately applied to dealer sales of trailers and/or watercraft when the property is delivered outside of this state?**
  - D) **How is sales tax appropriately applied to broker assisted sales of watercraft and trailers between two individuals?**
  - E) **How is use tax applied to watercraft imported into this state?**
  - F) **How is use tax applied to trailers imported into this state?**
- 7) **Discussion of Issue(s):**
  - A) Watercraft are not motor vehicles and cannot be purchased exempt from the tax by nonresident purchasers presenting the ST-8 Nonresident Certificate of Exemption Purchase of Motor Vehicle. Therefore, with the exception of watercraft sales qualifying for the exemption in O.C.G.A. § 48-8-3(32), all sales of watercraft delivered to a purchaser in this state are subject to Georgia sales tax regardless of any subsequent removal of the watercraft from this state. Sales tax must be collected at the rate of the jurisdiction in which the purchaser accepts delivery of the watercraft.
  - B) Trailers designed for use upon public roads are “motor vehicles” for purposes of the sales and use tax “drive-out” exemption. Therefore, a trailer sold to a nonresident purchaser is exempt from Georgia sales tax when the nonresident purchaser provides the Georgia dealer with a properly completed ST-8 Nonresident Certificate of Exemption Purchase of Motor Vehicle and immediately removes the trailer from this state for registration in another state.

Trailers sold to Georgia residents are subject to sales tax at the rate of the county in which the trailer will be registered.

- C) Georgia tax does not apply when the buyer does not take delivery of the watercraft or trailer in this state. Possession by a shipping company does not constitute receipt by or delivery to a purchaser. Sales of watercraft or trailers delivered to the buyer by the dealer or employee of the dealer outside of this state are not subject to Georgia sales tax when the sale is supported by a properly completed ST-6 Certificate of Exemption – Out of State Delivery.
- D) When a seller sells a watercraft or a trailer through an agent, broker, or other person who is regularly engaged in making sales of tangible personal property, either as a principal or as an agent, the sale is not a casual sale transaction and will be subject to tax.
- E) Watercraft imported into this state are subject to use tax at the rate of the county of delivery or first use. Credit will be granted for sales tax previously paid to another state against any use tax liability that may exist. When a watercraft has been used outside of this state for more than six months, use tax will be due on the purchase price or fair market value, whichever is lower. In addition, no tax is due on watercraft purchased outside of this state by persons not domiciled in this state but who subsequently become domiciled in this state and bring the watercraft into the state as a result of the change of domicile, as long as the watercraft is not brought into the state for use in a trade, business, or profession.
- F) Trailers imported into this state are subject to use tax at the rate of the county of registration. Credit will be granted for sales tax previously paid to another state against any use tax liability that may exist. When a trailer has been used outside of this state for more than six months, use tax will be due on the purchase price or fair market value, whichever is lower. In addition, no tax is due on trailer purchased outside of this state by a person not domiciled in this state but who subsequently become domiciled in this state and brings the trailer into the state as a result of the change of domicile, as long as the trailer is not brought into the state for use in a trade, business, or profession.

#### **FOR MORE INFORMATION**

**For more information on this subject, contact the Taxpayer Services Division at 1-877-423-6711 from 8:00 am to 4:30 pm EST, Monday through Friday, excluding holidays.  
Taxpayers with hearing or speech impairments may call our TDD number at 404-417-4302.  
For forms and other information, visit our website ([www.dor.ga.gov](http://www.dor.ga.gov)).**

---