

Content #11

Out-of-State Delivery Exemption For U.S. Non-Residents

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Content #11A

Out-of-State Delivery For U.S. Non-Residents

(No tax is due)

Qualifications for Exemption

- ❖ This exemption is for vehicles sold to all nonresidents of Arizona for use outside of the State, wherein the purchaser **does not take possession** of the vehicle **in** Arizona. Instead, the Dealer ships or delivers the vehicle outside of the State.
- ❖ The Purchaser(s) driver license must be issued from the reciprocal State from which the customer is claiming residency.
- ❖ Each Purchaser within a deal must complete a separate ADOR exempt certificate (Form 5011) in order to determine if he qualifies for the exemption

Corporate Policy: When giving the Purchaser(s) the form 5011, the Salesperson must first update the Purchaser(s) on the law, using the following steps:

- Notify the Purchaser(s) that Earnhardt representatives are not allowed to complete the form for them, but do want to cover a few things pertaining to the form.
- Then, show the Purchaser(s) the section 2 notation at the very bottom on the 1st page of the form and make sure they understand the notation.
- Next, show the Purchaser(s) the 2nd page and explain the affirmations the Purchaser(s) is/are making when signing the form.
- Give a form to **each** Purchaser in the deal to complete and sign.
- Upon completion, verify the Purchaser(s) qualify for the exemption.

~ADDITIONAL NOTES BASED ON TYPE OF PURCHASER~

- ❖ **A Purchaser for a Trust must be listed as a Trustee in the trust**
- ❖ **A Business Entity's Agent must be listed in the Articles of Corporation as a member (i.e., Corp Officer, Partner, LLC member)**
- ❖ **A Military Service member must have official military orders to be stationed in AZ**
- ❖ **If a Purchaser is a student, must be enrolled as a non-resident in an Arizona Educational Institution**

Content #11B
Out-of-State Delivery
U.S. Non-Residents Exemption
(No tax is due)

REQUIRED DOCUMENTATION / EXAMINATION

❖ **Trust Purchases (if applicable)**

- Verify you have a copy of the Trust
- Verify the person(s) signing the purchase documentation is on the Trust
- Verify that we have all required signatures in order to substantiate the request. Review the Trust documents for a clause such as “a Trustee may not conduct business or act on behalf of our trust without the consent of the other Trustee”.
- Verify the Trust name and nonresident state address is on all other legal documents throughout the deal

❖ **Business Entity Purchases (if applicable)**

- Verify we have a legible copy of a Business license, Transaction Privilege License or Articles of Corporation
- Verify the state listed on the license or articles is a state other than Arizona
- Verify the same address and state is listed on all purchase documentation
- Verify the Business Representative/Agent signing the purchase documentation is a member within the Articles of Corporation
- Complete due diligence by searching the web to determine if the Business entity has nexus in Arizona.
- Verify the payment for the vehicle is issued in the Entity name (i.e., business check, credit card or financing)

❖ **Military member stationed in Arizona (if applicable)**

- Verify we have a copy of the military ID
- Verify we have copies of the official military orders
- Verify the orders indicate currently stationed at an Arizona facility

❖ **Arizona enrolled student (if applicable)**

- Verify we have a copy of a Student I.D. Card
- Verify Student is enrolled in an Arizona educational institution
- Verify have a statement from the educational institution reflecting Student is paying out-of-state tuition fees

❖ **Driver License of each Purchaser**

- Verify the license reflects the nonresident State being claimed
- Verify the license is valid and current (must have been reasonably issued prior to any dates in the deal; the further the issuance date of the license is from the date of the deal, the better)
- Verify the license is of the actual Purchaser
- If the Purchaser is a **Trust**
 - Verify the license is of a member on the Trust
- If the Purchaser is a **Business Entity**
 - Verify the license is of the Business Representative/Agent signing on behalf of a business entity
 - Verify the license of the Representative/Agent is from the same State as the Business Entity

❖ **Nonresident Exemption Form 5011**

- Verify that a separate form was completed by each Purchaser, and that both are in the deal.
- Verify Section 1 – Seller’s information - is complete
- Verify section 2 – Purchaser’s information - was fully completed by the Purchaser
- Verify a physical address is listed on the form for the Purchaser, even though the driver license may have a PO Box listed.
- Verify for **Business Entities** –
 - The Representative/Agent’s name, personal address, phone #, & auto insurance are listed in the applicable lines.
 - The Business Entity’s information is completed as well in the applicable lines.
- Verify that every question on 1st page is answered and initialed by the Purchaser or Representative/Agent. **Exceptions:**
 - **Military Member is not** required to answer questions 1-3 on form 5011; however the **Spouse** of the Military member **is** required to answer all of the questions on form 5011 (unless also a military member)
 - **Student is not** required to answer questions 1-3 of form 5011; however the **Spouse** of the Student **is** required to answer all of the questions on form 5011 (unless also a AZ Student)
 - Verify the Purchasers actually qualified as nonresidents
- Verify page 2 (Purchaser Affirmation) was completed and signed by the Purchaser or the Representative/Agent.

❖ **Additional Form 5011 Review**

- Verify the documents in the deal to determine if there is anything that is contradicting the answer.
- **Business entities**, run a web search on line to find out if the business has nexus in Arizona

❖ **Auto Insurance Card**

- Verify the policy number is the same listed on the form 5011
- Verify the insurance card is for the Purchaser(s)
- For a **Business Entity**
 - Verify the insurance card is for the Representative/Agent

❖ **Verify the name and address of the Purchaser (or) Business Entity is listed on all legal documents throughout the deal.**

- Form 5011
- Form 5010
- Buyers Order
- Credit application / Purchasers Statement (if applicable)
- 90-day nonresident registration permit

❖ **Out-of-State Delivery Form 5010**

- Verify both pages of the form are in the deal (Sellers Page and Purchasers Page)

If delivery is by transporter:

- Under SELLER CERTIFICATION, the second box is checked and person named in DELIVERY OF VEHICLE has signed and dated the form.
- Verify date is same as on Bill of Lading.
- Verify following notarization is on the same date and notarized by **our** notary.
- The second page is **NOT** needed (Replaced by BOL noted further below)

If delivery is by our Agent across the border:

- Under SELLER CERTIFICATION, the first box is checked and person named in DELIVERY OF VEHICLE has signed and dated the form.
- Verify notarization is on the same date and has been notarized by an **out-of-state** notary.
- The second page is to be filled out by the Purchaser/Representative, starting with Purchaser's information.
- Verify Purchaser/Representative has signed and dated 2nd page with the same date as our Agent on the 1st page.
- Verify Purchaser's/Representative's signature has also been notarized by an **out-of-state** notary on the same date as the notary on the 1st page.
- Our Agent is to keep both pages of Form 5010 (to be placed in deal).

❖ **Bill-of-Lading (BOL) - if applicable**

- Verify a copy of the BOL is in deal
- Verify BOL notes:
 - Make, Model & VIN of the vehicle in the deal
 - Where the vehicle was picked up and the address where it is to be delivered
 - Date when the transport picked up the vehicle (**Verify date is the same date as delivery date on the 1st page of the Form 5010**)
- Verify there is evidence we paid for transportation (billing and/or check)

❖ **Delay of Deliver Form – if applicable**

- Form is needed if there is more than a 3 day discrepancy between:
 - The B/O date versus the form 5010 Notarized Date of Delivery
- Verify that a box is marked and is signed by the Mgr handling the transaction

❖ **90-day nonresident registration permit**

- Verify a copy is in the deal
- **Verify the issued date is within one day of the 5010 Delivery Dates.** If not, a written statement reflecting reasonable grounds is required.
- Verify the copy denotes the out-of-state, nonresident State address
- Does NOT need the permit affidavit signed; it was replaced by the 2nd page of form 5011

FREQUENTLY ASKED QUESTIONS

Q1 - *What happens if a purchaser wants to register the vehicle in a different state other than where they reside?*

Purchaser must complete the form 5011 using the address on their DL; however on the second page, the state of where the customer wants to register the vehicle must be noted. The address used throughout the deal should be the same as the DL

Q2A - *What happens if there are two purchasers on the deal and one has a DL from one state and the other has a DL from a different state?*

Because the DL drives the state of residency; each person must complete the form 5011 using the address/state listed on their own DL.

Q3 - *What happens if there are two purchasers on the deal and one has a DL from one state and the other has a DL from a different state and they want to register the vehicle in yet another state?*

As noted in previous answers – the main points to remember

- The DL is what drives the residency for each purchaser – on form 5011
- The vehicle can be registered in a different state from their DL (with exception of AZ)
- The remaining documents throughout the deal should have the same address/state of the DL that they will claim as their residency

Q4 - *Does someone from a U.S. Territory qualify for non-resident exemption?*

The only exemption a U.S. Territory qualifies for is a Foreigner Out-of-State Delivery Exemption. A non-resident exemption is limited to a resident within the U.S. States.

✓ * Need a form for each purchaser (if separate units)
 → ** CANNOT have AN AZ DL



Arizona Department of Revenue
CERTIFICATE TO ESTABLISH RESIDENCY IN ANOTHER
U.S. STATE PURSUANT TO A.R.S. § 42-5009(I)

ARIZONA FORM
5011

FOR PURPOSE OF A STATUTORY DEDUCTION PROVIDED BY ARS § 42-5001, SUBSECTION (A)(1), (A)(2)(a), (A)(4), OR (U); OR ARS § 42-5004 (A)(4)

SECTION 1 - INFORMATION TO BE SUPPLIED (BY SELLER)

← Earnhardt Representative must complete

SELLER'S NAME AND ADDRESS:				
YEAR:	MAKE:	MODEL:	VIN NO.:	90 DAY PERMIT NO.:
SALES PRICE: Cash Price + Add's		PRICE ADJUSTMENTS: Rebates + Trade	NET PRICE: Taxable Amt	TOTAL TAXES PAID: includes City (if applicable)
DRIVER'S LICENSE NO. OF PURCHASER (or Entity Rep.):		STATE OF ISSUANCE: **	EXPIRES: 5/16 current	

SECTION 2 - TO BE COMPLETED BY PURCHASER (OR ENTITY REPRESENTATIVE)

- Purchaser must complete

FULL NAME:		
FULL RESIDENTIAL ADDRESS (NO P.O. BOXES):		
TELEPHONE NO. OF RESIDENCE ADDRESS:	AUTO INSURANCE COMPANY:	POLICY NO.:
IF PURCHASER IS A NONRESIDENT ENTITY, COMPLETE THE FOLLOWING:		FEDIN:
ENTITY NAME:		
FULL BUSINESS ADDRESS:		TELEPHONE NO.:

QUESTIONS TO BE ANSWERED AND INITIALED BY PURCHASER (OR ENTITY REP.):

NOTE: DO NOT answer questions 1, 2, and 3 if you are either a Nonresident U.S. Military Service member officially stationed at an Arizona military facility, or a Nonresident Student enrolled at an Arizona Educational Institution paying out-of-state tuition fees. (PROVIDE COPY OF MILITARY ORDERS OR CURRENT STUDENT I.D. CARD)

	True	False	Initial
1. I am physically present in Arizona for at least seven (7) months of the year.....	<input type="checkbox"/>	<input type="checkbox"/>	_____
2. I am engaged in a trade, profession or occupation in Arizona in other than seasonal agricultural work or temporary seasonal work.....	<input type="checkbox"/>	<input type="checkbox"/>	_____
3. I am employed in the State of Arizona.....	<input type="checkbox"/>	<input type="checkbox"/>	_____
4. I have placed my children in an Arizona public school (K-12) without payment of nonresident tuition.....	<input type="checkbox"/>	<input type="checkbox"/>	_____
5. I attend an Arizona educational institution and pay resident status tuition rates.....	<input type="checkbox"/>	<input type="checkbox"/>	_____
6. I am an individual, partnership, company, firm, corporation or association that maintains a main office, a branch office or warehouse facilities in this state and that bases and operates motor vehicles in this state.....	<input type="checkbox"/>	<input type="checkbox"/>	_____
7. I am an individual, partnership, company, firm, corporation or association that operates motor vehicles in intrastate transportation, for other than seasonal agricultural work.....	<input type="checkbox"/>	<input type="checkbox"/>	_____
8. I am purchasing this vehicle for transfer to a resident of Arizona.....	<input type="checkbox"/>	<input type="checkbox"/>	_____
9. I have a valid driver's license issued by the State of Arizona.....	<input type="checkbox"/>	<input type="checkbox"/>	_____
10. I am registered to vote in the State of Arizona.....	<input type="checkbox"/>	<input type="checkbox"/>	_____
11. I file Resident status income tax returns, or business tax returns in the State of Arizona.....	<input type="checkbox"/>	<input type="checkbox"/>	_____
12. The insurance policy listed above (other than a temporary binder) is issued under the laws of Arizona.....	<input type="checkbox"/>	<input type="checkbox"/>	_____

SECTION 2 INFORMATION THAT INDICATES AN ARIZONA ADDRESS, OR AN ANSWER OF TRUE TO ANY OF THE ABOVE QUESTIONS, WILL MAKE THIS PURCHASER INELIGIBLE FOR THE STATUTORY DEDUCTIONS LISTED AT THE TOP OF THIS PAGE.

ADOR 80-5504 (3/08)

*** refers to the custodial parent (if purchaser is the custodial parent + has children in an AZ school - Answer is TRUE) (if purchaser is non-custodial + has children in an AZ school - Answer is FALSE)

→ Purchaser must complete !!

AFFIDAVIT OF NONRESIDENCY

Should be the state the purchaser is claiming

AFFIRMATIONS OF PURCHASER:

→

I will register this vehicle in the state of _____ prior to the expiration of the 90 Day Nonresident Registration Permit, and will not use this vehicle in Arizona after this date for other than purely temporary or transitory purposes.

I will personally be liable for an amount equal to the state, county and city taxes that would have applied to a non-exempt sale, plus penalties and interest computed from the date of sale, if this vehicle is registered in Arizona within 365 days of the date of sale.

I will personally be liable for an amount equal to the state, county and city taxes that would have applied to a non-exempt sale, plus penalties and interest computed from the date of sale, if I have provided false information on this certificate.

I understand that in Arizona, it is a Class 5 Felony to "knowingly prepare, present or aid, procure or advise in preparing or presenting any return, affidavit, claim or other document which is fraudulent or is false as to any material matter, whether or not the falsity or fraud is with the knowledge or consent of the taxpayer authorized or required to present the return, affidavit, claim or document." [See A.R.S. § 42-1127(B)(2)]

I understand that I will be subject to criminal penalties if I have either omitted required information or provided false information on this certificate. [See A.R.S. § 42-1127(B)(4)]

I have verified that my driver's license information provided on Page 1 is correct.

I hereby certify that the information I have provided on this Certificate is true, accurate and complete. Further, if I am the representative of a nonresident entity, I certify that I am authorized to execute this Certificate on behalf of the nonresident entity named above.

Signed by:

→

Purchaser or Entity Representative

Date

←

Do need 90-Day Permit
No longer need 90-Day Permit Affidavit - This page replaces the affidavit.

To be Completed by the Seller !!



ARIZONA DEPARTMENT OF REVENUE CERTIFICATE TO ESTABLISH OUT-OF-STATE DELIVERY OF MOTOR VEHICLE TO NONRESIDENT

ARIZONA FORM
5010

FOR PURPOSE OF THE STATUTORY DEDUCTIONS PROVIDED BY A.R.S. §§ 42-5061(A)(14) AND 42-6004 (A)(4)

This certificate is required to document the seller's out-of-state delivery of a motor vehicle to a nonresident purchaser, for purposes of the above exemptions from state transaction privilege tax and city privilege tax. If delivery is made by the seller or the seller's agent, this form must be fully completed and notarized in the state of delivery, and records of any expenses incurred in delivering the motor vehicle must be maintained by the seller. If the seller contracts with a licensed auto transporter or common carrier for the out-of-state delivery of the vehicle, the Purchaser Certification on page 2 is not required, and the seller's signature may be witnessed by an Arizona notary public.

SELLER INFORMATION:

SELLER'S NAME:	TPT LICENSE NO.:
ADDRESS:	PHONE NO.:
CITY STATE ZIP:	

VEHICLE INFORMATION:

YEAR / MAKE / MODEL:	VIN NO.:
NET SALES PRICE:	ADOT90 DAY PERMIT NO.:

DELIVERY OF VEHICLE:

DELIVERY ADDRESS: <i>Address of where we deliver the vehicle</i>	CITY STATE ZIP:
NAME OF PERSON DELIVERING VEHICLE: <i>should always be our agents name.</i>	JOB TITLE:
	PHONE NO.:

Box # SELLER CERTIFICATION (check one box):

- 1** - I certify, under penalty of perjury under the laws of the State of Arizona, that I personally delivered the above vehicle to the delivery address indicated above.
- 2** - I certify, under penalty of perjury under the laws of the State of Arizona, that I have delivered the above vehicle to a licensed auto transporter or common carrier who will deliver the vehicle to the above address and from whom I have received a bill of lading. (See Notice above.)

should always be the signature of our agent listed above.
SIGNATURE OF SELLER OR PERSON DELIVERING VEHICLE _____ DATE OF DELIVERY _____

NOTARY STATEMENT

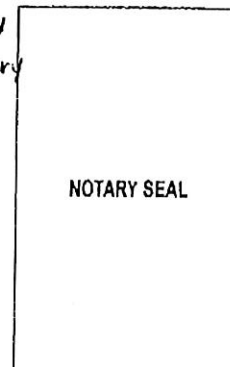
* State of _____ * If Box # 1 marked - s/be o/s Notary
 County of _____ * If Box # 2 marked - s/be AZ Notary

On this ____ day of _____, 20____, before me personally appeared _____, whose identity was proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to this document and who acknowledged that he/she signed the above document.

Notary Signature: _____

ADOR 50-5395 (9/03)

*A Revision 7/8/09 v



Section 1
Section 2
Section 3
Section 4
Section 5

To be completed by purchaser or purchaser's agent

PURCHASER INFORMATION:

PURCHASER'S NAME (PLEASE PRINT): (OR) Representative NAME	DRIVER'S LICENSE NO.:	STATE:
ADDRESS:		
CITY STATE ZIP:		

Section 6

PURCHASER CERTIFICATION:

I certify, under penalty of perjury under the laws of the State of Arizona, that I personally accepted delivery of the above vehicle at the delivery address indicated on page 1, and that this vehicle is purchased for use outside of Arizona.

Section 7

SIGNATURE OF PURCHASER (OR) REPRESENTATIVE _____

DATE OF DELIVERY _____

NOTARY STATEMENT

* State of _____
County of _____

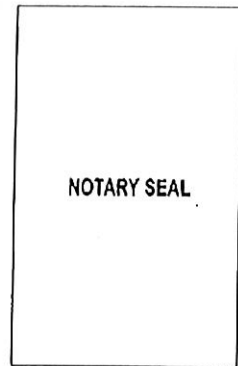
* s/bz an o/s notary

On this ____ day of _____, 20____, before me personally appeared

_____, whose identity was proved to me on the
(PURCHASER OR REPRESENTATIVE)

basis of satisfactory evidence to be the person whose name is subscribed to this document and who acknowledged that he/she signed the above document.

Notary Signature: _____



Section 8

SELLER: Remit a copy of this form, and all other executed Form 5010's, to the Arizona Department of Revenue on a quarterly basis. Attach the associated Form 5011 or Form 5012 to each Form 5010 submitted. (See TPP 08-1 and Form 5010Q).

Mail to: **NONRESIDENT MOTOR VEHICLE PROGRAM - TPT AUDIT DIVISION
ARIZONA DEPARTMENT OF REVENUE
1600 W. MONROE, ROOM 620
PHOENIX, AZ 85007**

DELAYED DELIVERY FORM

Customer Name: _____

Deal Number: _____

Check One	Reason	Estimated Date of Delivery
	1. Purchased by phone. Will not be in AZ to sign papers until later date. Earnhardt's will store until delivery out of AZ.	
	2. Purchased and cannot take delivery until a later date. Earnhardt's will store until we can return for delivery out of AZ. Customer Signature: _____	
	3. Purchased waiting for Service repairs to be completed before delivery out of AZ. RO#: _____	
	4. Vehicle stored at Earnhardt's awaiting transport company to pick up and deliver to customer.	

NOTE: This form is necessary when there are 3 or more days between the Buyer's Order date and the Delivery date.

Information provided by:	_____
(Tower/Finance Mgr)	Print Name

	Signature
Date:	_____



ARIZONA DEPARTMENT OF REVENUE
SALE OF MOTOR VEHICLE TO NONRESIDENT FOR USE OUTSIDE OF STATE
CERTIFICATE OF DELIVERY OUT OF STATE

ARIZONA FORM
5010Q



ARIZONA DEPARTMENT OF REVENUE
NONRESIDENT CAR PROGRAM - TPT AUDIT DIVISION
PO BOX 29062
PHOENIX AZ 85038-9062

Business/Dealer Information			
Business Name:		TPT License #:	
Mailing address	City	State	Zip Code
Business phone (include area code)			
Sales of: (Check all that apply):			
<input type="checkbox"/> Motor Vehicles	<input type="checkbox"/> Recreational Vehicles	<input type="checkbox"/> Motorcycles	<input type="checkbox"/> All <input type="checkbox"/> Other

Purchased Vehicle Information			
Year/Make/Model	Vehicle Identification Number(VIN):	Purchaser Name & Driver's License #:	ADOT 30-Day Reg #

Total Certificate Copies attached:

Number of continuation pages attached:



