

OTC Policy Update Dealer Exemptions Applicable to Special Mobilized Machinery

In an effort to establish a clear and consistent policy, the Oklahoma Tax Commission (OTC) has made a determination regarding the applicability of licensed dealer tax/fee exemptions and title reassignment allowances for truck and trailer mounted special mobilized machinery. Please make note of the following:

- A licensed Oklahoma used motor vehicle dealer may accept in trade, and reassign title to, any truck *OR* trailer mounted special mobilized machinery (SMM) unit.
- A licensed Oklahoma commercial trailer dealer may accept in trade, and reassign title to, any trailer-mounted (*only*) SMM unit.

In the above allowed dealer scenarios, no excise tax or registration fee is to be assessed the dealer – except in situations where the dealer accepted a unit with expired Oklahoma registration. In other words, the standard dealer registration exemption criteria applies. Likewise, dealer title reassignment privileges apply (both Oklahoma and out of state titles.)

Bear in mind, some states do not title SMM's. Should an Oklahoma dealer acquire a SMM unit from such a non-titling state, the dealer must obtain an Oklahoma title in the dealership's name before assigning ownership to a subsequent purchaser. Contact the Title Section for confirmation of another state's SMM titling requirements and/or assistance with proper titling documentation.