

Sales/Use/Indirect:

Ohio: Resale Exemption Does Not Apply to Property Substantially Enhanced After Original Purchase

Case No. 2020-1125, Ohio BTA (8/24/23). In another case involving a business that purchased automobiles and substantially enhanced them before reselling them [see *State Tax Matters*, Issue 2023-30, for details on an earlier ruling in a companion case], the Ohio Board of Tax Appeals (BTA) held that the business owed Ohio use tax on the purchases and that Ohio's resale exemption did not apply because, under the facts, the automobiles were fundamentally and substantially altered before resale. In doing so, the BTA explained that the cars had significant work done to them, and they were sold in a different form from which they were purchased. The BTA also held that Ohio's resale exemption did not apply pursuant to prior rulings, because the taxpayer did not have a motor vehicle dealer's license. Please contact us with any questions.

URL: <https://ohio-bta.modria.com/download?BID=1212070>

URL: https://dhub.blob.core.windows.net/dhub/Newsletters/Tax/2023/STM/230728_9.html

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