Glenn Hegar Texas Comptroller of Public Accounts

98-776
(04/15)

Taxes on Unrepaired Salvage Vehicles

Salvage vehicles that have not been repaired are not "motor vehicles" and are not subject to motor vehicle sales or use tax when sold or given away. Instead, salvage vehicles are taxed in the same manner as other personal property and are subject to limited sales and use tax (6.25 percent state tax and up to 2 percent local tax).

When a customer has purchased a salvage vehicle, county tax assessor-collectors are not required to collect motor vehicle sales tax or to verify that limited sales tax has been paid.

Because by law, a salvage vehicle is not a "motor vehicle," the seller is not required to sign the Application for Texas Title (form 130-U).

If you have any questions, please contact our office at Comptroller.Texas.Gov, toll free at 800-252-1382 or at comptroller.texas.gov/web-forms/tax-help/.