



State of Alabama Department of Revenue

(www.revenue.alabama.gov)
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November 1, 2010

MEMORANDUM

2010-27

TO: License Plate Issuing Officials

FROM: Amy Bright, Registration Supervisor *ab*
Motor Vehicle Division

RE: Dealer "Loaner" Vehicles

The Motor Vehicle Division has received several reports from dealers who have attempted to purchase standard license plates for vehicles that are in their dealer inventory, but are used as loaner vehicles. Some license plate issuing offices are refusing to issue standard plates to dealers. This memorandum seeks to address this issue.

Alabama law does not prohibit a dealer from purchasing a standard or distinctive license plate to be used on any vehicle the dealer holds in inventory. The dealer would be required to provide proof that the vehicle title or MSO has been properly assigned to the dealer. The registration would be issued in the dealership's name and would include the specific vehicle information on the Motor Vehicle Registration Tag/Tax Receipt. If the vehicle is in the dealer inventory, the vehicle is exempt from all ownership taxes (ad valorem, sales, use, etc.) that are normally paid by the owner when the vehicle is titled and registered.

If you have additional questions regarding this memorandum, please contact the Motor Vehicle Division at tags@revenue.alabama.gov or (334) 242-9006.