

§ 48.4063-1

26 CFR Ch. I (4-1-06 Edition)

§ 48.4063-1 Tax-free sales of bodies to chassis manufacturers.

Under the provisions of section 4063(b), the tax imposed by section 4061(a) shall not apply to bodies sold by the manufacturer thereof to a manufacturer (but not an importer) of automobile trucks (as defined by § 48.4061(a)-3(a)) to be sold by the purchaser. Thus, a manufacturer of automobile truck bodies is permitted to sell such bodies tax free to manufacturers of automobile truck chassis. This section does not apply with respect to the sale of an automobile truck chassis to manufacturers of automobile truck bodies. However, see § 48.4061(a)-1(e) with respect to the sale of an automobile truck chassis for use in the manufacture or assembly of a non-highway vehicle (within the meaning of § 48.4061(a)-1(d)). In order to effect a tax-free sale of a body as provided in this section, both the seller and purchaser must comply with the registration and other requirements of section 4222 and the regulations thereunder. A chassis manufacturer who purchases a body tax free as provided in this section shall, for purposes of application of the tax imposed by section 4061(a), be considered the manufacturer of such body.

[T.D. 7461, 42 FR 2675, Jan. 13, 1977]

§ 48.4063-2 Tax-free sales of parts or accessories sold for resale on or in connection with the first retail sale of a light-duty truck.

(a) *In general.* Under section 4063(e), the 8-percent manufacturers excise tax imposed by section 4061(b) on the sale of truck parts or accessories does not apply to the sale by the manufacturer, producer, or importer of any parts which are to be resold by the purchaser on or in connection with the first retail sale of a light-duty truck as defined in section 4061(a)(2), or which are to be resold by the purchaser to a second purchaser for resale by the second purchaser on or in connection with the first retail sale of a light-duty truck. A tax-free sale is also allowed under section 4063(e) if an ultimate purchaser makes a direct purchase from a manufacturer of a part or accessory for use on or in connection with a substan-

tially contemporaneous purchase of a new light-duty truck.

(b) *Evidence required for tax-free sales of light-duty truck parts and accessories—*

(1) *In general.* The provisions of section 4063(e) do not apply with respect to any sale unless the manufacturer, the first purchaser, and the second purchaser, if any, are all registered as required under section 4222, and unless they comply with all the requirements under that section relating to tax-free sales. To effectuate a tax-free sale directly from the manufacturer, first or second purchaser to an ultimate purchaser, the ultimate purchaser must, in every case, satisfy the provisions of paragraphs (b)(3)(i), (ii) and (iii) of this section. Persons not required to be registered under section 4222(b) may purchase articles tax free by following the same procedures that apply to them in the case of other tax-free sales. See § 48.4222(b)-1.

(2) *Revocation or suspension of registration or right to use exemption certificate.*

A person's registration and right to sell or purchase articles tax free through the use of an exemption certificate may be revoked or suspended. See § 48.4222(c)-1. Such a revocation or suspension shall be in addition to any other penalties that may apply. Any person who purchases articles tax free and who sells or uses them for a non-exempt purpose shall notify its vendor of the taxable sale or use.

(3) *Exemption certificate.* (i) To establish exemption from tax under section 4061(b) in those instances where a sale is made directly to an ultimate purchaser, the manufacturer, first, or second purchaser must obtain (prior to or at the time of sale) from the ultimate purchaser and retain in its possession a properly executed exemption certificate in the form prescribed in paragraph (b)(3)(iii) of this section.

(ii) Where only occasional sales are made, a separate exemption certificate shall be furnished for each order. However, where sales are regularly or frequently made to a purchaser for such exempt use, a certificate covering all sales for a specified period not to exceed 12 calendar quarters will be acceptable. Such certificates and proper records of invoices, orders, etc. relative