



*State of Wyoming*  
**DEPARTMENT OF REVENUE**

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**Taxability of Motor Vehicles Purchased by a  
Foreign Corporation or Limited Liability Company**

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The Wyoming Department of Revenue has received a number of inquiries from Wyoming vendors and citizens over the last several years regarding a tax avoidance scheme being promoted by Montana legal services and Montana vehicle vendors. This scheme involves creating a Montana LLC to purchase and register a vehicle for the sole purpose of avoiding sales tax in the purchaser's home state.

For Wyoming residents, this practice effectively avoids sales tax as long as the vehicle never enters Wyoming. If, however, the vehicle enters and is operated on Wyoming roads, the vehicle must be registered in Wyoming. Prior to the first registration in Wyoming, use tax on the sales price originally paid for the vehicle must be collected by the county treasurer. This does not apply to vehicles previously registered by the same nonresident owner in another state. A Montana LLC created (by members who are Wyoming residents) for the sole purpose of avoiding sales tax in Wyoming will not be regarded as a nonresident owner. As such, the use tax exemption for nonresident owners is not applicable, and use tax on the original purchase price must be collected by the county treasurer prior to the first registration in Wyoming. Wyoming will offer an offsetting credit for any sales or use tax legally imposed in another state.