

M e m o r a n d u m

585.0317

To: A. L. Cade

Date: September 5, 1985

From: Donald J. Hennessy

Subject: Modifications to Vehicles for the Physically Handicapped

This is in reply to your memorandum of July 11, 1985. You ask whether subsequent sales of vehicles for physically handicapped persons, do the modifications continue to receive an exemption status under Revenue and Taxation Code Section 6369.4.

As you are aware, Section 6369.4 provides:

“There are exempted from the taxes imposed by this part the gross receipts from the sale, and the storage, use, or other consumption, in this state of items and materials when used to modify a vehicle for physically handicapped persons.”

Pursuant to Section 6369.4, we are of the opinion that in subsequent sales of modified vehicles to physically handicapped persons, the modified portion of the vehicle continues to be exempt from use tax. We note that the term “physically handicapped” persons, as used in Section 6369.4 includes only those disabled persons described in California Vehicle Code Section 22511.5 as qualified for special parking privileges.

As a practical matter, the subsequent owner of a modified vehicle, qualifying as a handicapped person, as that term is defined in California Vehicle Code Section 22511.5, has the responsibility of proving to the Department of Motor Vehicles, or to Board staff, the value of the modified portion of the vehicle, as Section 6369.4 only exempts the modified portion of the vehicle from use tax.

DJH:ba