

Facts About \$5 Buyer Tag Fee

- A dealer must issue a Buyer Tag for every retail sale and collect a fee of \$5. **This also applies to vehicles sold to out-of-state or out-of-country purchasers (not to be titled in Texas).** This includes the following:
 - New and used vehicles.
 - New and used trailers.
 - Vehicles with license plates being transferred under the provisions of Plate-to-Owner.
 - Vehicles (other than passenger and light truck) that have current registration and license plates.
 - Vehicles with license plates and registration sticker issued by the dealer.
 - Vehicles the dealer files the title application for at the tax office and obtains license plates and registration sticker immediately.

Exception: While a dealer must issue Buyer Tags for vehicles sold to exempt agencies, the exempt agency is not required to pay the \$5 fee. For these types of transactions, the tax office should **NOT** collect the \$5 fee.

- In the event a Buyer Tag is **NOT** issued and the \$5 fee is **NOT** collected, the tax office will override the collection of the fee. This includes but is not limited to the following:
 - ATVs and Off-Road Motorcycles
 - Salvage Vehicles (no rebuilt title issued)
 - Vehicles purchased from an out-of-state dealer (the out-of-state dealer license number should not be entered into RTS)
- For in-state purchases, the \$5 Buyer Tag fee will automatically be collected when the title transaction is processed through the Registration and Title System (RTS). The collection of this fee in RTS will be triggered by the presence of a dealer license number (GDN). The \$5 Buyer Tag fee will automatically be computed when the transaction is processed through webDEALER.
- **For out-of-state or out-of-country purchases (not to be titled in Texas), the \$5 Buyer Tag fee should be collected by the dealer and submitted to the tax office for processing. The dealer will need to provide the tax office the Vehicle Identification Number of the vehicle going out-of-state or out-of-country. The tax office will collect this fee in the RTS Status Change event and provide the dealer with a receipt. The \$5 Buyer Tag fee for out-of-state or out-of-country purchased can also be paid by the dealer directly through the eTAG System.**

Important: Tax offices and dealers will need to coordinate a method of notification for transactions where a Buyer Tag was not issued and the \$5 fee was not collected.