

Taxation Realignment Commission
Tuesday, June 29, 2010
Room 105 Gressette
10:00 A.M.

1. Section 56-3-2320 authorizes dealer tags
 - Plates can be used on “vehicles owned by, assigned, or loaned for test driving purposes to the dealer when operated on the highways of this state by the dealer, its corporate officers, its employees, or a prospective purchaser of the motor vehicle.”
 - Prospective purchaser is limited to 7 days and dealer must issue them a demonstration certificate.
 - Plates cannot be used to operate wreckers or service vehicles in use by the dealer.
 - Plates cannot be used to operate vehicles owned by the dealer that are leased or rented by the public.
 - Dealers may be issued 2 plates for the first 20 vehicles sold during the previous year and 1 additional plate for every 15 vehicles sold beyond the initial 20.
 - New dealers will be issued plates based on estimated sales.
 - Each dealer plate costs \$20.

2. Dealer tag statistics
 - There are approximately 3300 dealers (auto - 2800, wholesale - 400, motorcycle - 80, auction - 11, and travel trailer - 4).
 - There are approximately 18,367 dealer plates issued this year (17,160 to auto, 1022 to wholesale, 183 to motorcycle, 2 to auction, and 0 to travel trailer).
 - The average number of dealer tags per dealer is 5.56 tags.
 - 91% of dealers are classified as average or small (sell less than 500 annual sales)
 - Of the 18,367 tags, 11,892 (65%) belong to dealers with < 500 annual sales.

3. Tag statistics by dealer type

Dealer Type	Sales Volume	# of Dealers	Number of Plates	% of Max Plates Allowed
Mega	>3,000	18 (.5%)	476 (3%)	4.3%
Large	1000-2999	128 (4%)	2972 (16%)	9.68%
Medium	500-999	169 (5%)	3027 (16%)	19.03%
Average	100-499	1087 (33%)	6786 (37%)	28.08%
Small	<100	1901 (58%)	5106 (28%)	85.87%

4. Dealer tag sanctions issued by SCDMV

- 66 in 2008; 54 in 2009 (about .6% of total dealer tag population for 2 yrs combined)
- Most discovered during audit of dealership.
- Most sanctions are issued for misuse of dealer tags on service vehicles.