



Louisiana Department of Public Safety
Office of Motor Vehicles
Policy 24.00 Transactions Involving Corporations

Section: 4. Motor Vehicle Registration Requirements

Effective Date: 03/01/1982

Revised Date: 08/21/2000

General:

- If you will accept the fact that an individual and a corporation (regardless of who owns the stock in that corporation) are TWO SEPARATE ENTITIES, the following information will be reconcilable. Listed below are the taxable and non-taxable transactions and requirements for transferring a vehicle from one entity to another. As advised by Legal Counsel, under no circumstances should you issue a title in the name of a person followed by "doing business as" then continuing with incorporated. A corporation can be shown as co-owner with an individual. Example: John Smith, Inc. and Mary Doe. A corporation DBA Co. can be shown if Co. is not incorporated. Example: John Smith, Inc. DBA John Smith Co. (Co. is not incorporated, only trade name)
- **Tax-Free Transactions**
 - An individual who has purchased a vehicle with his own personal funds before the corporation is chartered (compare the date acquired and the corporation charter date) providing:
 - There is no assumption of a mortgage.
 - Vehicle is titled in individual's name in Louisiana.
 - Corporation name change: must submit amended charter showing name change.
 - Merger of two corporations, providing the previous corporation has been dissolved, even though existing corporation would be required to assume the unpaid balance of mortgage: present photocopy of merger or some document of the transaction in lieu of the bill of sale.
 - A corporation which has been fully liquidated can transfer vehicle to stockholder in return for stock. Any ONE of the following is acceptable:
 - Title assigned by an officer of corporation and notarized statement by an officer of corporation (other than himself) that the vehicle was given in exchange for shares of stock which are to be cancelled.
 - If the corporation was solely owned by the individual who is making application for title in his name, a notarized affidavit must be submitted stating this fact.
 - Copy of the minutes of the Board of Directors' meeting specifically authorizing the donation.
 - A photocopy of the depreciation schedule indicating the vehicle was completely depreciated off the corporate books. The depreciation schedule should include the VIN, make, and year of the subject vehicle OR adequate information to sustain verification that subject vehicle is the specific vehicle in question.
 - When a spin-off occurs to comply with a Federal Anti-Trust Law, Applicant must furnish an affidavit executed by the organizer of a newly formed corporation stating

that its assets were formerly part of the transferor's assets on which tax had already been paid.

- A vehicle titled in the name of an individual and corporation contends it should have been titled in the corporation's name (or vice-versa). Correction can be made provided these documents are submitted:
 - A photocopy of cancelled check made payable to the dealer for purchase of the vehicle.
 - Notarized statement from the taxpayer confirming the error.
 - Corrected invoice indicating the correct purchaser's name.
- *Vehicle titled in the name of a corporation can be transferred to an individual by submitting proof the vehicle has been fully depreciated off the books of the corporation provided **one** of the following documents is submitted:
 - Photocopy of the ledger sheet indicating a zero balance.
 - Copy of the minutes of the Board of Directors' meeting specifically authorizing the donation and stating that the vehicle has been fully depreciated.
 - Each document should include the VIN, make, and year of the subject vehicle OR adequate information to sustain verification that subject vehicle is the specific vehicle in question.
- A sole owner of a corporation can donate (See Section IV, Policy/Procedure Statement #52.0) a vehicle titled in the name of the corporation provided these documents are submitted:
 - A copy of the minutes of the Board of Directors' meeting authorizing the donation.
 - An act of donation, which includes the VIN, make, and year of vehicle, executed by the sole owner of the corporation before a notary and two (2) witnesses.
- If a motor vehicle officer believes an individual or company is submitting fraudulent or misleading documents, copies of the files are to be routed up the chain of command for review and investigation. Any further action taken will be done at the Field District Manager or HQ Section Manager level or higher.
- **Taxable Transactions:**
 - Assumption of mortgage by newly chartered corporation.
 - Transfer of vehicle from corporation still in existence to another corporation.
 - Transfer of vehicle purchased by and titled in the name of the corporation to an individual (except in "Tax-Free Transactions" listed above).
 - Transfer of vehicle from an individual to his pre-existing corporation.
 - Transfer of vehicle from individual to any corporation in exchange for stock.