

(b) On transfer of a vehicle titled in this State and issuance of a subsequent certificate of title, the vehicle is exempt from the excise tax imposed by this part, if it is:

(1) A vehicle transferred to a spouse, son, daughter, parent, sister, brother, grandparent, father-in-law, mother-in-law, son-in-law, or daughter-in-law of the transferor, and no money or other valuable consideration is involved in the transfer;

(2) A vehicle repossessed under a security agreement, unless the sale of the vehicle is required under the agreement;

(3) A vehicle transferred from an individual to a partnership or corporation or from a partnership or corporation to a subpartnership or subsidiary corporation, if the individual, partner, or corporation is a partner or principal stockholder of the newly formed partnership, subpartnership, corporation, or subsidiary corporation, as the case may be;

(4) A vehicle transferred to a legal heir, legatee, or distributee;

(5) A vehicle involuntarily transferred as a result of divorce or separation proceedings;

(6) A vehicle that is jointly owned and transferred to the name of one of the owners, if the transferee can establish to the satisfaction of the Administration that the transferor did not pay any part of the original purchase price of the vehicle or any applicable taxes or fees for the vehicle; or

(7) A vehicle transferred by a corporation to its stockholder or stockholders as a liquidating distribution of tangible personal property where the vehicle or vehicles transferred are not a principal or substantial asset of the corporation as determined by the comptroller; or

(8) A vehicle transferred as a result of a reorganization within the meaning of § 368(a) or in accordance with [§§ 371 or 374] § 371 OR § 374 of the Internal Revenue Code of 1954.

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(b) Each dealer who collects any tax or fee required for titling a vehicle shall:

(3) During business hours, allow any representative of the Administration and any police [officer,] OFFICER full access to these records; and

(d) (1) If, under subsection (c) of this section, the Administration determines the sales of vehicles and computes the tax due, it shall: