

(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;

(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 Administration; or

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

~~(D) ON TRANSFER OF A VEHICLE NOT 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 TRANSFERRED TO A SPOUSE, SON, DAUGHTER, GRANDSON, GRANDDAUGHTER, 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.~~

~~{(d)}~~ (E) The Administration may exempt from the excise tax imposed by this part any vehicle of a law enforcement agency of the United States or of any other state, if the United States or other state provides a reciprocal exemption for law enforcement vehicles of this State.

~~{(e)}~~ (F) If the owner of a vehicle that is exempt under subsection (a)(17) or (18) of this section from the vehicle excise tax subsequently registers the vehicle under any other section of this title, the owner shall pay the excise tax based on the fair market value of the vehicle at the time the exemption was initially granted.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1991.

Approved April 30, 1991.