

# Vehicle Licensing Guide

## Leased Vehicle-Application for Title VLIC-3.335

Original Date: 10/10/2012  
Revision Date: 08/10/2024

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| POLICY   |                |
|--|----------------|
| Title: Leased Vehicle Application for Title  |                |
| Effective Date: October 10, 2012   | Revision Date: |
| Authority: Code of Virginia §§ <a href="#">46.2-619</a> , <a href="#">46.2-623</a> , <a href="#">58.1-2401</a>   |                |
| <b>Policy:</b><br>When titling leased vehicles, DMV is to collect the following information from the lessee on the application for title: <ul style="list-style-type: none"><li>For individuals, the name and residence street address of the lessee and the name of the locality in which the leased vehicle will be principally garaged or parked,</li><li>For businesses, the name of the business, its street address, and the name of the locality in which the leased vehicle will be principally garaged or parked.</li></ul> DMV will provide this information to the commissioner of the revenue or other assessing officer of the locality in which the leased vehicle is to be principally garaged or parked. |                |
| Exception: N/A   |                |

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### DEFINITIONS

**Leased Motor Vehicle** – Any vehicle designed for transportation of passengers or property, used for such by a lessee (individual paying to use the vehicle) who under agreement with the lessor (owns the vehicle) pays the lessor a fee for the use of the vehicle for a period of 12 months or longer, with NO transfer of ownership.

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**Lessee** – The person(s) or business paying money in exchange for the use of the vehicle for more than 12 months generally under contract.

**Lessor (owner)** – The person(s) or entity offering use of the vehicle for 12 months or more in exchange for compensation. The lessor may also be known as the leasing company.

**Rental Vehicle** - A rental vehicle is any vehicle used by a person or business (renter) for a period of less than twelve months, offering some form of compensation to use the vehicle and who has an agreement with the owner of the vehicle (rentor or rental company).**END REVISION>>>>>**

**Residual Value** - The value of a leased vehicle at the end of the term of the lease; generally specified in the lease contract.

**Selling Dealer** - The licensed vehicle dealer who sold the vehicle to the lessor and arranged for the lease between the lessee and the lessor.

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### FREQUENTLY ASKED QUESTIONS

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| LEASED VEHICLES FREQUENTLY ASKED QUESTIONS (FAQ's) |   |
|--|---|
| Questions  | Answers   |
| Who is a leased vehicle titled to?                 | A leased vehicle is titled in the name of the lessor (owner).   |
| What information is needed for the lessee?         | <b>For individuals</b> , the name, customer number, residence-street address and locality in which the leased vehicle is principally garaged or parked. |

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|--|--|
|  | <b>For businesses</b> , the name of the business, tax id, street address, and locality where principally garaged or parked.  |
| <b>What name do I issue the registration in?</b>               | The vehicle may be registered in the lessor's (owner) name or the lessee's name. The lessor may allow the lessee to register the vehicle in his name or provide the lessee with a power of attorney to allow the lessee to handle all vehicle registration transactions for the leased vehicle. Otherwise, the lessor is responsible for all registration transactions   |
| <b>Can the lessee buy the vehicle at the end of the lease?</b> | The lessee may have the option to purchase the vehicle and title it in his name at the end of the lease. (Lease Buyout)  |
| <b>Can the lessee keep the plates after the lease?</b>         | To keep the plates the lessee must submit a letter from the lessor stating they relinquish possession of the license plates to the lessee.   |
| <b>Is Sales and Use Tax required?</b>                          | Sales and Use Tax (SUT) will be assessed based on the purchase price paid by the lessee to the lessor  |
| <b>Is Sales and Use Tax required during the lease buyout?</b>  | <p>Unless the lessee paid the Sales and Use tax for the lessor at the time of original titling, Sales and Use tax will be required. The following requirements must apply for exemption:</p> <ul style="list-style-type: none"> <li>• Proof must be presented that the SUT was paid by the lessee at the time of the original lease.</li> <li>• The vehicle must be retitled in the individual's name as it appears on the lease agreement (lease must have been to a person or persons and not include a commercial entity as the lessee to qualify for this exemption).</li> </ul> |

**END REVISION>>>>>**

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#### **CUSTOMER REQUIREMENTS**

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1. Submit an Application for Certificate of Title and Registration ([VSA 17A](#)) in accordance with [VLIC-3.000](#).
2. Submit Lease documentation – Lease Agreement, POA (if applicable), ownership document (if original transaction)

**END REVISION>>>>>**

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#### **FRONT COUNTER CSR**

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1. Review the [VSA-17A](#) for completion.
2. Process the titling transaction in accordance with [VLIC-3.000](#).
3. Add the Lessee's customer number to the Leased Customer Information screen in MySelect.
4. Add the special condition LEASE to the title record. **END REVISION>>>>>**

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#### **CONTACT**

For additional information contact :

- Your CSC Manager/Assistant Manager
- VSA/[Titling Work Center](#)