

**198.0000 COURT-ORDERED SALES, FORECLOSURES AND REPOSSESSIONS—Regulation 1573**

*See also Mortgagees and Trustees.*

198.0200 **Repossession.** A taxpayer purchased equipment for its printing business with a cash down payment and a note as consideration. The taxpayer later defaulted on the note payments. The seller repossessed the equipment, and canceled the unpaid balance on the note. The repossession equipment transfer plus the cancellation of the unpaid balance do not constitute a retail sale by the taxpayer to the seller. 4/20/94.