

BILL SUMMARY
1st Session of the 52nd Legislature

Bill No.:	HB 1046
Version:	Proposed Subcommittee Substitute (Request No. 6711)
Author:	Representative Banz
Date:	February 15, 2009
Impact:	Motor Vehicle Excise Tax FY10: Decrease of \$2.5 Million

Bill Summary

Fiscal Summary

Fiscal Analyst: Diane Thomas

HB 1046 relates to calculating the excise tax on vehicles. Generally, the tax is calculated:

- New vehicle - multiplying the tax rate (3.25%) times the purchase price; and
- Used vehicle - \$20 on the 1st \$1,500 of value and then 3.25% times the remainder of the purchase price.

This measure modifies the requirement that the actual sales price on the vehicle must be within 20% of the average retail price of the vehicle. Under the provisions of this PSS for HB 1046 allows vehicles with over 100,000 to be within 70% of the average retail price.

Fiscal Analysis

This measure would allow the purchase price of a vehicle to be within 70% of the average retail price if the vehicle has accrued 100,000 miles or more. The Tax Commission (OTC) anticipates a decrease in the motor vehicle excise tax for FY10 of \$2.5 million under the provisions of this proposed subcommittee substitute.

Long Term Fiscal Considerations

None

Fiscal Analysis Reviewed By:

Janice Buchanan

House Fiscal Director