

**BILL SUMMARY**  
1st Session of the 54<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>HB 1012</b>
<b>Version:</b>	<b>CS</b>
<b>Request Number:</b>	<b>6943</b>
<b>Author:</b>	<b>Rep. Brown</b>
<b>Date:</b>	<b>3/4/2013</b>
<b>Impact:</b>	<b>Tax Commission:</b>
	<b>FY-14: \$2,019,000 Decrease in Collections</b>
	<b>FY-15: \$3,028,000 Decrease in Collections</b>

**Research Analysis**

The committee substitute for HB 1012 would prevent the assessment of delinquent registration fees on all vehicles 25 model years or older. The measure allows the purchase, sale or disposal of vehicles more than 25 model years old on which the registration or license fee has not been paid. Clarifies the collection of motor vehicle excise tax on vehicles less than 25 model years old.

Prepared By: Brad Wolgamott

**Fiscal Analysis**

Based upon the files and records of the Motor Vehicle Division in CY 2012, 45,504 registration transactions occurred for vehicles 25 years old and older on which \$2,775,084 in delinquent penalties were assessed.

HB 1012 proposes an effective date of November 1,2013 for Sections 1-3. Assuming similar vehicle registration transactions for FY 14 and FY 15, the estimated decrease in motor vehicle collections for FY 14 is \$1,850,056 [ $\$2,775,084/12 \text{ months} = \$231,257 \times 8 \text{ months} = \$1,850,056$ ]. For FY 15, the estimated decrease in motor vehicle collections is \$2,775,084.

Motor Vehicle Division records indicate that 10,020 vehicle title transactions occurred in CY 2012 where excise tax penalties in the amount of \$252,976 were assessed for vehicles at least 25 years old.

HB 1012 proposes an effective date of November 1,2013 for Section 4. Assuming similar vehicle title transactions for FY 14 and FY 15, the estimated decrease in excise tax collections for FY 14 is \$168,651 [ $\$252,976/12 \text{ months} = \$21,081 \times 8 \text{ months} = \$168,651$ ]. For FY 15, the estimated decrease in motor vehicle excise tax collections is \$252,976.

The total estimated decrease in motor vehicle registration and excise tax collections for FY 14 is \$2,018,707 and the total estimated decrease in motor vehicle registration and excise tax collections for FY 15 is \$3,028,060.

Prepared By: Mark Tygret

**Other Considerations**

None.

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