REVISOR

17-3112

State of Minnesota

This Document can be made available in alternative formats upon request HOUSE OF REPRESENTATIVES н. г. №. 1922 NINETIETH SESSION

03/01/2017

Authored by Koznick The bill was read for the first time and referred to the Committee on Transportation and Regional Governance Policy Adoption of Report: Re-referred to the Committee on Transportation Finance 03/09/2017

A bill for an act	
relating to motor vehicles; increasing registration tax b amending Minnesota Statutes 2016, section 168.013,	•
BE IT ENACTED BY THE LEGISLATURE OF THE ST	ATE OF MINNESOTA:
Section 1. Minnesota Statutes 2016, section 168.013, sub	odivision 1a, is amended to read:
Subd. 1a. Passenger automobile; hearse. (a) On passe	enger automobiles as defined in
section 168.002, subdivision 24, and hearses, except as oth	erwise provided, the tax shall be
\$10 plus an additional tax equal to 1.25 percent of the base	e value.
(b) Subject to the classification provisions herein, "base	value" means the manufacturer's
suggested retail price of the vehicle including destination ch	narge using list price information
published by the manufacturer or determined by the regist	rar if no suggested retail price
exists, and shall not include the cost of each accessory or i	tem of optional equipment
separately added to the vehicle and the suggested retail pri	ice.
(c) If the manufacturer's list price information contains	a single vehicle identification
number followed by various descriptions and suggested re	tail prices, the registrar shall
select from those listings only the lowest price for determi	ning base value.
(d) If unable to determine the base value because the v	ehicle is specially constructed,
or for any other reason, the registrar may establish such va	lue upon the cost price to the
purchaser or owner as evidenced by a certificate of cost bu	at not including Minnesota sales
or use tax or any local sales or other local tax.	
(e) The registrar shall classify every vehicle in its prop	er base value class as follows:
	er base value class as follows.
	relating to motor vehicles; increasing registration tax be amending Minnesota Statutes 2016, section 168.013, BE IT ENACTED BY THE LEGISLATURE OF THE ST Section 1. Minnesota Statutes 2016, section 168.013, sub Subd. 1a. Passenger automobile; hearse. (a) On passe section 168.002, subdivision 24, and hearses, except as oth \$10 plus an additional tax equal to 1.25 percent of the base (b) Subject to the classification provisions herein, "base suggested retail price of the vehicle including destination of published by the manufacturer or determined by the regist exists, and shall not include the cost of each accessory or if separately added to the vehicle and the suggested retail price (c) If the manufacturer's list price information contains number followed by various descriptions and suggested retail (d) If unable to determine the base value because the v or for any other reason, the registrar may establish such va- purchaser or owner as evidenced by a certificate of cost bu- or use tax or any local sales or other local tax.

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2.1 2.2 \$ 0 \$ 199.99

\$ 399.99

and thereafter a series of classes successively set in brackets having a spread of \$200
consisting of such number of classes as will permit classification of all vehicles.

2.5 (f) The base value for purposes of this section shall be the middle point between the
2.6 extremes of its class.

200

\$

(g) The registrar shall establish the base value, when new, of every passenger automobile 2.7 and hearse registered prior to the effective date of Extra Session Laws 1971, chapter 31, 2.8 using list price information published by the manufacturer or any nationally recognized 2.9 firm or association compiling such data for the automotive industry. If unable to ascertain 2.10 the base value of any registered vehicle in the foregoing manner, the registrar may use any 2.11 other available source or method. The registrar shall calculate tax using base value 2.12 information available to dealers and deputy registrars at the time the application for 2.13 registration is submitted. The tax on all previously registered vehicles shall be computed 2.14 upon the base value thus determined taking into account the depreciation provisions of 2.15 paragraph (h). 2.16

(h) The annual additional tax must be computed upon a percentage of the base value as
follows: during the first year of vehicle life, upon 100 percent of the base value; for the
second year, 90 percent of such value; for the third year, 80 percent of such value; for the
fourth year, 70 percent of such value; for the fifth year, 60 percent of such value; for the
sixth year, 50 percent of such value; for the seventh year, 40 percent of such value; for the
eighth year, 30 percent of such value; for the ninth year, 20 percent of such value; for the
tenth year, ten percent of such value; for the 11th and each succeeding year, the sum of \$25.

2.24 (i) In no event shall the annual additional tax be less than \$25.

(j) For any vehicle previously registered in Minnesota, the annual additional tax due
under this subdivision must not exceed the smallest amount of annual additional tax
previously paid or due on the vehicle.

2.28 (k) For any electric vehicle within the meaning of section 169.011, subdivision 26a, an 2.29 additional fee in the amount of \$125 is imposed. Notwithstanding subdivision 8, the fee 2.30 imposed under this paragraph must be deposited in the highway user tax distribution fund.

2.31 EFFECTIVE DATE. This section is effective January 1, 2018, and applies to all 2.32 registrations effective on and after that date.

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