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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. 4795

04/07/2026 Authored by Anderson, P. E.; Roach; Dippel; Niska; Demuth and others
The bill was read for the first time and referred to the Committee on Transportation Finance and Policy

A bill for an act

relating to transportation; taxation; modifying motor vehicle registration tax; amending Minnesota Statutes 2025 Supplement, section 168.013, subdivision 1a.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2025 Supplement, section 168.013, subdivision 1a, is amended to read:

Subd. 1a. **Passenger automobile; hearse.** (a) On passenger automobiles as defined in section 168.002, subdivision 24, and hearses, except as otherwise provided, the registration tax is calculated as $10 plus:

(1) for a vehicle initially registered in Minnesota prior to November 16, 2020, ~~1.54~~ 1.25 percent of the manufacturer's suggested retail price of the vehicle and the destination charge, subject to the adjustments in paragraphs (e) and (f); or

(2) for a vehicle initially registered in Minnesota on or after November 16, 2020, ~~1.575~~ 1.285 percent of the manufacturer's suggested retail price of the vehicle, subject to the adjustments in paragraphs (e) and (f).

(b) The registration tax calculation must not include the cost of each accessory or item of optional equipment separately added to the vehicle and the manufacturer's suggested retail price. The registration tax calculation must not include a destination charge, except for a vehicle previously registered in Minnesota prior to November 16, 2020.

(c) The registrar must determine the manufacturer's suggested retail price:

(1) using list price information published by the manufacturer or any nationally recognized firm or association compiling such data for the automotive industry;

(2) if a dealer does not determine the amount, using the retail price label as provided by the manufacturer under United States Code, title 15, section 1232; or

(3) if the retail price label is not available, using the actual sales price of the vehicle.

If the registrar is unable to ascertain the manufacturer's suggested retail price of any registered vehicle in the foregoing manner, the registrar may use any other available source or method.

(d) The registrar must calculate the registration tax using information available to dealers and deputy registrars at the time the initial application for registration is submitted.

(e) The amount under paragraph (a), clauses (1) and (2), must be calculated based on a percentage of the manufacturer's suggested retail price, as follows:

(1) during the first year of vehicle life, upon 100 percent of the price;

(2) for the second year, ~~95~~ 90 percent of the price;

(3) for the third year, ~~90~~ 80 percent of the price;

(4) for the fourth year, ~~80~~ 70 percent of the price;

(5) for the fifth year, ~~70~~ 60 percent of the price;

(6) for the sixth year, ~~60~~ 50 percent of the price;

(7) for the seventh year, ~~50~~ 40 percent of the price;

(8) for the eighth year, ~~40~~ 30 percent of the price;

(9) for the ninth year, ~~25~~ 20 percent of the price; and

(10) for the tenth year, ten percent of the price.

(f) For the 11th and each succeeding year, the amount under paragraph (a), clauses (1) and (2), must be calculated as $20.

(g) Except as provided in subdivision 23, for any vehicle previously registered in Minnesota and regardless of prior ownership, the total amount due under this subdivision must not exceed the smallest total amount previously paid or due on the vehicle.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to taxes and fees payable for a registration period starting on or after January 1, 2027.