

SENATE
STATE OF MINNESOTA
NINETY-FIRST SESSION

S.F. No. 3497

(SENATE AUTHORS: KIFFMEYER, Jasinski, Newman and Dibble)

DATE	D-PG	OFFICIAL STATUS
02/24/2020	4881	Introduction and first reading Referred to Transportation Finance and Policy
02/27/2020	5047	Author added Dibble
03/04/2020		Comm report: To pass as amended and re-refer to Taxes

1.1 A bill for an act

1.2 relating to transportation; amending determination of the motor vehicle registration

1.3 tax; amending Minnesota Statutes 2019 Supplement, section 168.013, subdivision

1.4 1a.

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

1.6 Section 1. Minnesota Statutes 2019 Supplement, section 168.013, subdivision 1a, is

1.7 amended to read:

1.8 Subd. 1a. **Passenger automobile; hearse.** (a) On passenger automobiles as defined in

1.9 section 168.002, subdivision 24, and hearses, except as otherwise provided, the tax is \$10,

1.10 plus an additional ~~tax~~ amount equal to 1.25 percent of the base value as adjusted in paragraphs

1.11 (f) and (g).

1.12 (b) ~~Subject to the classification provisions herein,~~ "Base value" means the manufacturer's

1.13 suggested retail price of the vehicle ~~including destination charge using list price information~~

1.14 ~~published by the manufacturer or determined by the registrar if no suggested retail price~~

1.15 ~~exists, and shall,~~ provided that base value includes a destination charge for a vehicle

1.16 previously registered in Minnesota before the effective date of this section. Base value does

1.17 not include the cost of each accessory or item of optional equipment separately added to

1.18 the vehicle and the suggested retail price.

1.19 (c) In the case of the first registration of a new vehicle sold or leased by a licensed dealer,

1.20 the dealer may elect to individually determine the base value of the vehicle using

1.21 manufacturer's suggested retail price information provided by the manufacturer. The registrar

1.22 ~~must use the base value determined by the dealer to properly classify the vehicle.~~ A dealer

1.23 that elects to make the determination must retain a copy of the suggested retail price label

or other supporting documentation with the vehicle transaction records maintained under Minnesota Rules, part 7400.5200.

~~(c) If the manufacturer's list price information contains a single vehicle identification number followed by various descriptions and suggested retail prices, the registrar shall select from those listings only the lowest price for determining base value.~~

~~(d) If unable to determine the base value because the vehicle is specially constructed, or for any other reason, the registrar may establish such value upon the cost price to the purchaser or owner as evidenced by a certificate of cost but not including Minnesota sales or use tax or any local sales or other local tax.~~

~~(e) The registrar shall classify every vehicle in its proper base value class as follows:~~

FROM	TO
\$ 0	\$ 199.99
\$ 200	\$ 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.~~

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

~~(g) (d) The registrar shall~~ must establish the base value, ~~when new, of every passenger automobile and hearse registered prior to the effective date of Extra Session Laws 1971, chapter 31, using (1) the amount determined by a licensed dealer under paragraph (c), (2) list price information published by the manufacturer or any nationally recognized firm or association compiling such data for the automotive industry, or (3) the retail price label as provided by the manufacturer under United States Code, title 15, section 1232. If unable to ascertain the base value of any registered vehicle in the foregoing manner, the registrar may use any other available source or method.~~

~~(e) The registrar shall~~ must calculate tax using base value information available to dealers and deputy registrars at the time the application for registration is submitted. ~~The tax on all previously registered vehicles shall be computed upon the base value thus determined taking into account the depreciation provisions of paragraph (h). Except for data integrity purposes, the commissioner must not adjust the base value for the vehicle in a subsequent registration period.~~

~~(h) (f) The annual additional tax amount~~ 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.

(+) (g) In no event shall is the annual additional ~~tax~~ be amount less than \$25.

(+) (h) For any vehicle previously registered in Minnesota and regardless of prior ownership, the total amount due under this subdivision and subdivision 1m must not exceed the smallest total amount previously paid or due on the vehicle. Nothing in this paragraph prevents collection of a tax or fee that the commissioner determines is due for a current or prior registration period.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies to taxes payable for a registration period starting on or after initial deployment of the replacement motor vehicle information technology system. The commissioner of public safety must notify the revisor of statutes of the implementation date.