

**SENATE**  
**STATE OF MINNESOTA**  
**NINETY-FIRST SESSION**

**S.F. No. 819**

(SENATE AUTHORS: KIFFMEYER and Newman)

DATE  
02/04/2019

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Introduction and first reading  
Referred to Transportation Finance and Policy

OFFICIAL STATUS

- 1.1 A bill for an act
- 1.2 relating to transportation; amending the calculation of vehicle registration tax;
- 1.3 amending Minnesota Statutes 2018, section 168.013, subdivision 1a.
- 1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
- 1.5 Section 1. Minnesota Statutes 2018, section 168.013, subdivision 1a, is amended to read:
- 1.6 Subd. 1a. **Passenger automobile; hearse.** (a) On passenger automobiles as defined in
- 1.7 section 168.002, subdivision 24, and hearses, except as otherwise provided, the tax is \$10
- 1.8 plus an additional tax equal to 1.25 percent of the ~~base value~~ purchase price, as defined in
- 1.9 section 297B.01, except that if a motor vehicle is taken in trade as a credit or as part payment
- 1.10 on a motor vehicle taxable under this chapter, the credit or trade-in value allowed by the
- 1.11 person selling the motor vehicle shall not be deducted from the total selling price when
- 1.12 establishing the purchase price of the vehicle being sold.
- 1.13 ~~(b) Subject to the classification provisions herein, "base value" means the manufacturer's~~
- 1.14 ~~suggested retail price of the vehicle including destination charge using list price information~~
- 1.15 ~~published by the manufacturer or determined by the registrar if no suggested retail price~~
- 1.16 ~~exists, and shall not include the cost of each accessory or item of optional equipment~~
- 1.17 ~~separately added to the vehicle and the suggested retail price.~~
- 1.18 ~~(c) If the manufacturer's list price information contains a single vehicle identification~~
- 1.19 ~~number followed by various descriptions and suggested retail prices, the registrar shall~~
- 1.20 ~~select from those listings only the lowest price for determining base value.~~
- 1.21 ~~(d) If unable to determine the base value because the vehicle is specially constructed,~~
- 1.22 ~~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) The registrar shall 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 list price information published by the manufacturer or any nationally recognized firm or association compiling such data for the automotive industry. 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. The registrar shall 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).~~

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

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

~~(j) (d) 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.~~

**EFFECTIVE DATE.** This section is effective July 1, 2020.