HOUSE RESEARCH

Bill Summary

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This bill creates a "recoupment surcharge" as a new component of the formula for calculating annual vehicle registration taxes (tab fees) on passenger vehicles. The surcharge applies to all passenger-type vehicles with an estimated combined fuel economy of at least 35 miles per gallon (or gallon equivalent). The surcharge for a specific vehicle is determined following a schedule using ranges of fuel economy and corresponding surcharges, based on U.S. EPA estimates for that vehicle. Surcharge amounts range from \$45 to \$95.

The bill also contains a hold harmless provision, where the total registration tax due on a vehicle cannot increase from taxes imposed in a previous year.

It would go into effect for registration periods that start on or after January 1, 2016.