

Subject Motor vehicle registration tax formula

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Summary

This bill reduces the motor vehicle registration tax through changes in the tax calculation formula, by:

- lowering the base rate from 1.575 to 1.285 percent of the manufacturer's suggested retail price, or MSRP (or from 1.54 to 1.25 percent for vehicles initially registered in the state before November 16, 2020, where destination charge is included in the price); and
- reducing various percentages of MSRP in a devaluation schedule that sets out declining portions of the base rate as the vehicle ages.

Effective for registration periods starting January 1, 2027.