

BILL SUMMARY
2nd Session of the 58th Legislature

Bill No.:	AB 1318
Version:	ENGR
Request Number:	NA
Author:	Rep. Newton
Date:	4/4/2022
Impact:	Tax Commission:

Motor Vehicle Collections Decrease:
(\$2,940,390)

Sales Tax Revenue Decrease:
(\$881,506)

Administrative Costs:
\$28,850

Research Analysis

SB 1318 extends from 30 days to 60 days the time allowed for the purchaser of a new or used motor vehicle, travel trailer or commercial trailer to register the vehicle, travel trailer or commercial trailer.

Prepared By: Brad Wolgamott

Fiscal Analysis

Analysis provided by the Tax Commission:

During the immediately preceding 12 month period the motor vehicle database indicates that for transfers of the described new and used vehicles, travel trailers and commercial trailers, interest and penalties were collected for late payments for both motor vehicle (registration fees and motor vehicle excise tax) and sales tax collections of \$2,940,390 and \$881,506, respectively.

The impact assumes an effective date of July 1, 2022. Projecting that similar transactions with corresponding late payments occur in FY 23 as previously experienced in the referenced 12 month period decreases in motor vehicle and sales tax collections of \$2,940,390 and \$881,506 respectively are estimated for FY 23.

Prepared By: Mark Tygret

Other Considerations

Administrative Costs and Concerns

It appears that the intent of the measure is to extend, without limitation, the date in which to register new and used motor vehicles, travel trailers and commercial trailers without accruing penalty from thirty days to 60 days from date of purchase. However, the language of the proposed amendment regarding the required removal of the temporary plate is inconsistent therewith. Further, the measure does not make corresponding amendments to the applicable tax provisions which set the timeframe for timely remittance of registration fees and transfer taxes i.e., excise and motor vehicle sales tax.

To modify the motor vehicle system required by the amendatory language, four weeks of development time at a cost of \$28,850 is estimated.

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