

Impose motor vehicle excise tax (MVET) at 0.55% tax rate on all vehicles

Description This proposal imposes a state MVET at the rate of 0.55% on the value of motor vehicles designed primarily for use on public highways and directs revenue to the General Fund.

Current Law A number of local entities currently impose a local option MVET at specified rates for various local and regional transportation-related purposes.

- A state MVET was imposed from 1937 through 1999, at which time the rate was 2.2%.
- In 1999 the state MVET was repealed by the Legislature after Initiative 695, which attempted to repeal the state MVET, was found unconstitutional.

Revenue Impact General Fund Impact (\$ in millions):

Fiscal Year 2012	Fiscal Year 2013	2011-2013 Biennium
\$0	\$276.7	\$276.7

Notes:

- *Estimates assume a July 1, 2012, effective date.*
- *Estimates reflect the September 2011 Economic & Revenue Forecast Council revenue forecast.*

Expenditure Impact

Fiscal Year 2012	Fiscal Year 2013	2011-2013 Biennium
\$16,300	\$14,700	\$31,000