

Impose 5% luxury tax on passenger motor vehicles - \$50,000 threshold

Description This proposal would create an additional sales and use tax of 5% on the sales price/value of passenger motor vehicles if it exceeds \$50,000.

Current Law Passenger motor vehicles are subject to:

- Standard state and local sales and use taxes, and
- The additional motor vehicle sales tax of 0.3%

Revenue Impact General Fund Impacts (\$ millions):

Tax Base	Fiscal Year 2012	Fiscal Year 2013	2011-2013 Biennium
Motor Vehicles	\$0	\$14.2	\$14.2

Notes:

- *Estimates assume a July 1, 2012, effective date, representing 11 months of collections for FY 2013.*
- *Estimates reflect the November 2011 Economic & Revenue Forecast Council revenue forecast.*

**Expenditure
Impact**

Fiscal Year 2012	Fiscal Year 2013	2011-2013 Biennium
\$23,400	\$81,600	\$105,000