

## Impose 10% luxury tax on recreational watercraft, passenger motor vehicles, or aviation aircraft - \$50,000 deduction

**Description** This proposal would create an additional sales and use tax of 10% on sales that exceeds \$50,000 on the following luxury items:

- **Option 163** - Recreational watercraft;
- **Option 166** - Passenger motor vehicles; and
- **Option 174** - General aviation aircraft.

**Current Law**

- These items are subject to sales and use tax.
- Motor vehicles are subject to an additional sales tax of 0.3%.

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

Option	Tax Base	Fiscal Year 2012	Fiscal Year 2013	2011-2013 Biennium
163	Watercraft	\$0	\$13.7	\$13.7
166	Motor Vehicles	\$0	\$10.6	\$10.6
174	Aircraft	\$0	\$5.6	\$5.6

*Notes:*

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

**Expenditure Impact**

Option	Tax Base	Fiscal Year 2012	Fiscal Year 2013	2011-2013 Biennium
163	Watercraft	\$22,700	\$81,600	\$104,300
166	Motor Vehicles	\$23,400	\$81,600	\$105,000
174	Aircraft	\$22,700	\$81,600	\$104,300