

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

**Description** This proposal would create an additional sales and use tax of 10% on *the total selling price/value* of the following luxury items if the price/value exceeds \$50,000:

- **Option 162** - Recreational watercraft;
- **Option 164** - Passenger motor vehicles, or
- **Option 173** - General aviation aircraft.

### Current Law

- These items are subject to the regular sales and use tax.
- Motor vehicles are subject to an additional sales tax of 0.3%.
- Recreational watercraft and general aviation aircraft are also subject to annual excise taxes.

### Revenue Impact

General Fund Impact (\$ in millions):

Options	Tax Base	Fiscal Year 2012	Fiscal Year 2013	2011-2013 Biennium
162	Watercraft	\$0	\$30.4	\$30.4
164	Motor Vehicles	\$0	\$28.3	\$28.3
173	Aircraft	\$0	\$5.7	\$5.7

*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
162 173	Watercraft & Aircraft	\$22,700	\$81,600	\$104,300
164	Motor Vehicles	\$23,400	\$81,600	\$105,000