

2017 -- S 0120

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2017

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A N A C T

RELATING TO TAXATION - EXCISE TAX ON VEHICLES

Introduced By: Senators Crowley, Conley, Lombardi, McCaffrey, and Cote

Date Introduced: February 01, 2017

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 44-34-2 of the General Laws in Chapter 44-34 entitled "Excise on
2 Motor Vehicles and Trailers" is hereby amended to read as follows:

3 **44-34-2. Assessment -- Valuation -- Proration -- Abatement and cancellation --**
4 **Exemptions from tax.**

5 (a) (1) Except as provided in this section, the tax assessors of each city and town shall
6 assess and levy in each calendar year on every vehicle and trailer registered under chapter 3 of
7 title 31, for the privilege of ~~the~~ registration, an excise measured by its value, as subsequently
8 defined and determined. For the purpose of this excise, the uniform value of each vehicle shall be
9 determined in accordance with the regulations of the vehicle value commission. Any vehicle
10 which is more than ~~twenty-five (25)~~ ten (10) years old, whether or not the vehicle is an antique
11 motor car as defined in § 31-1-3(a), shall be deemed to have no ~~possess an average~~ retail value, ~~of~~
12 ~~five hundred dollars (\$500). Any vehicle more than twenty-five (25) years old on June 16, 1987,~~
13 ~~whether or not the vehicle is an antique motor car as defined in § 31-1-3(a), shall be deemed to~~
14 ~~have an average retail value of five hundred dollars (\$500) or its actual retail value whichever is~~
15 ~~less. The minimum excise tax on any vehicle, if registered to the same owner for a full year or~~
16 ~~portion of the year, shall not be less than five dollars (\$5.00) unless the registration is transferred~~
17 ~~to one or more additional vehicles or trailers, in which case the minimum or combined excise~~
18 ~~taxes shall not be less than five dollars (\$5.00). Beginning in fiscal year 2001, the assessor may,~~
19 ~~but is not required to, issue minimum tax bills as authorized by this section or any general or~~

1 ~~public law~~. Beginning in fiscal year 2002 and thereafter, the assessor shall not issue minimum tax
2 bills, notwithstanding any general or public law to the contrary. The assessor may waive the
3 excise tax on any vehicle where the annual levy would be less than five dollars (\$5.00). The state
4 shall not provide reimbursement for any waiver.

5 (2) Vehicles three (3) years old, or less shall be assessed at the National Automobile
6 Dealers Association ("NADA") guidebook highest valuation minus ten (10%) percent.

7 (3) Vehicles between four (4) and six (6) years old shall be assessed at the NADA
8 guidebook "midrange" valuation, minus ten (10%) percent.

9 (4) Vehicles between seven (7) and nine (9) years of age shall be assessed at the NADA
10 guidebook "lowest" valuation minus ten (10%) percent.

11 (b) Vehicle and trailer excises shall be prorated over the calendar year prior to the year in
12 which the excises are levied and billed, that year being referred to as the calendar year of
13 proration.

14 (c) The excise levy on every vehicle and trailer registered under chapter 3 of title 31 shall
15 be based on the ratio that the number of days the vehicle or trailer is registered is to the number of
16 days in the calendar year of proration.

17 (d) If during the calendar year of proration, the owner of a vehicle or trailer subject to the
18 excise moves permanently with his or her vehicle to another state and cancels his or her
19 registration in this state and returns the registration plates, the vehicle shall be exempt from excise
20 for the ensuing year.

21 (e) "Year of manufacture" as used in this section means the year used by the
22 manufacturer of the vehicle or trailer in connection with the designation by the manufacturer of
23 the model of the vehicle or trailer. Where the presumptive price of a vehicle or trailer is not
24 readily obtainable, or special equipment is installed on the vehicle or trailer, the tax assessor shall
25 prescribe the retail price to be used or the manner in which the retail price shall be determined.

26 (f) Nothing in this section shall be construed to prevent any city or town council from
27 granting an abatement, in whole or in part, when there is an error in the assessment of a tax, and
28 the tax assessors have certified to the fact, in writing, to the city or town council to cancel taxes
29 stating the nature of the error, the valuation of the vehicle or trailer, the amount of the assessed
30 tax and the name of the person to whom the vehicle or trailer was taxed.

31 (g) The city or town council may cancel, in whole or in part, an excise tax assessed to a
32 person who has died leaving no estate, or a person who has moved from the state, and the tax
33 collector or person acting in the capacity of tax collector certifies to the city or town council the
34 facts of the case.

1 (h) The excise imposed by this section shall not apply to vehicles or trailers owned by the
2 state of Rhode Island or any of its political subdivisions, or to vehicles or trailers owned by a
3 corporation, association or other organization whose tangible personal property is exempt under §
4 44-3-3(1) -- (15), or to vehicles assessed and taxed under § 44-13-13, or those owned by the
5 United States government. Farm vehicles shall be exempt to the extent prescribed in § 44-5-42.

6 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
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- 1 This act would base motor vehicle values for excise purposes on the NADA guidebook
- 2 valuations.
- 3 This act would take effect upon passage.

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