



1 ~~five hundred dollars (\$500) or its actual retail value whichever is less. The minimum excise tax~~  
2 ~~on any vehicle, if registered to the same owner for a full year or portion of the year, shall not be~~  
3 ~~less than five dollars (\$5.00) unless the registration is transferred to one or more additional~~  
4 ~~vehicles or trailers, in which case the minimum or combined excise taxes shall not be less than~~  
5 ~~five dollars (\$5.00). Beginning in fiscal year 2001, the assessor may, but is not required to, issue~~  
6 ~~minimum tax bills as authorized by this section or any general or public law. Beginning in fiscal~~  
7 ~~year 2002 and thereafter, the assessor shall not issue minimum tax bills, notwithstanding any~~  
8 ~~general or public law to the contrary. The assessor may waive the excise tax on any vehicle where~~  
9 ~~the annual levy would be less than five dollars (\$5.00). The state shall not provide reimbursement~~  
10 ~~for any waiver.~~

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           ~~**44-34-3. Assessment roll — Rate — Payment — Penalty upon non-payment.**~~

7           ~~(a) The assessor, on the basis of a list of uniform values for motor vehicles prepared by~~  
8 ~~the Rhode Island vehicle value commission pursuant to § 44-34-8, shall make a list containing the~~  
9 ~~value of every vehicle and trailer in the city or town which is subject to the provisions of § 44-34-~~  
10 ~~2, the values to be at the average retail price as determined under § 44-34-2 or at a uniform~~  
11 ~~percentage of these, not to exceed one hundred percent (100%), to be determined by the assessors~~  
12 ~~in each city or town; provided, that every vehicle and trailer in the city of Pawtucket shall be~~  
13 ~~assessed in accordance with §§ 44-5-20.1 and 44-5-20.2; provided, further, that motor vehicles~~  
14 ~~owned, leased, or utilized by rental companies, as those terms are defined in § 31-34.1-1, shall~~  
15 ~~not be valued for excise tax purposes at an amount greater than the National Automobile Dealers~~  
16 ~~Association average retail value for new vehicles for the year and vehicle model in question.~~

17           ~~(b) The excise tax levy shall be applied to the excise assessment roll at the rate~~  
18 ~~established by the assessors for all other property except manufacturer's machinery and~~  
19 ~~equipment in accordance with § 44-5-22 and the resulting tax roll shall be certified by the~~  
20 ~~assessors to the city or town clerk, treasurer, or tax collector, as the case may be, not later than~~  
21 ~~June 15 next succeeding. Prior to the resulting tax roll being certified to the Pawtucket city clerk,~~  
22 ~~the excise levy shall be applied to the excise assessment roll in accordance with the property tax~~  
23 ~~classification described in §§ 44-5-20.3 and 44-5-20.5. In the city of Woonsocket, the excise tax~~  
24 ~~levy shall be applied to the excise assessment roll at a rate that will produce no more than~~  
25 ~~nineteen percent (19%) of the total tax levy as prescribed in § 44-5-11.6. In the town of Lincoln,~~  
26 ~~the excise tax levy shall be applied to the excise assessment roll at a rate that produces an amount~~  
27 ~~equal to no more than seventeen percent (17%) of the total real estate tax levy.~~

28           ~~(c) If any vehicle or trailer liable to taxation in any city or town has been omitted from~~  
29 ~~the tax roll, the tax assessment shall assess the vehicle or trailer on a supplemental excise~~  
30 ~~assessment roll and shall certify the assessment to the tax collector after June 15, but not later~~  
31 ~~than December 31 next succeeding.~~

32           ~~(d) As soon after this as possible, the tax collector shall cause excise bills to be sent by~~  
33 ~~first class mail to all persons, corporations, partnerships, joint stock companies, or associations~~  
34 ~~that have registered vehicles or trailers during the calendar year of proration. The bills shall be~~

1 ~~paid in accordance with § 44-5-7 at the same time and on the same schedule as property tax bills.~~  
2 ~~Failure to pay the excise at the appropriated time shall bring about a penalty of eighteen percent~~  
3 ~~(18%) per annum, or, in the case of the city of Cranston, a penalty of twelve percent (12%) per~~  
4 ~~annum which applies on the date of the delinquency or, for any city or town fiscal year~~  
5 ~~commencing between January 1, 1980, and December 31, 1980, after approval by the proper local~~  
6 ~~authority, at the same rate of interest as that which is applied to delinquent property taxes in the~~  
7 ~~taxing jurisdiction.~~

8 ~~(e) Failure by the tax collector to send, or by the taxpayer to receive, a bill shall not~~  
9 ~~excuse the nonpayment of the tax or affect its validity or any proceedings for the collection.~~

10 ~~(f) This section does not apply to any and all entities which are exempt from the excise as~~  
11 ~~prescribed in § 44-34-2.~~

12 ~~**44-34-4. Vehicle and trailer tax situs -- Apportionment for interstate fleets.**~~

13 ~~(a) Tax situs of each vehicle or trailer shall be in the town or city of permanent abode of~~  
14 ~~the owner at the end of the calendar year of proration if an individual, or at the principal place of~~  
15 ~~business in this state, if a partnership, corporation, joint stock company, or association, except~~  
16 ~~that if a vehicle or trailer is customarily kept in some other town or city, then tax situs will be in~~  
17 ~~that municipality.~~

18 ~~(b) Rented or leased vehicles shall have tax situs in the town or city where they are~~  
19 ~~customarily kept by the renter or lessee if the rental or leasing contracts shall be long term. For~~  
20 ~~the purpose of this chapter, long term contracts are for six (6) months or more. If vehicles are~~  
21 ~~rented or leased for less than six (6) months or on a transient basis, then tax situs for the vehicles~~  
22 ~~shall be the town or city where the leasing company or agency stores the vehicles when they are~~  
23 ~~not being rented or leased.~~

24 ~~(c) In the case of fleets of vehicles and trailers engaged in interstate commerce the~~  
25 ~~following rules of just apportionment shall apply:~~

26 ~~(1) If the fleet owner has a terminal where a number of its vehicles are parked, then the~~  
27 ~~average number of vehicles so parked in proportion to its total fleet value shall determine the~~  
28 ~~excise;~~

29 ~~(2) If the fleet owner does not have vehicles parked in this state but has a pickup and~~  
30 ~~drop-off station, then the number of miles traveled by its fleet in this state in proportion to the~~  
31 ~~total number of miles traveled by its fleet shall be the percentage of the total value of its fleet~~  
32 ~~used to determine the excise.~~

33 ~~(d) Tax situs for a fleet shall be the town or city where the terminal or station is located.~~

34 ~~(e) In the case of more than one pickup and drop-off station of a fleet owner located in~~

1 ~~the state, the communities in which the stations are situated shall share equally the excise levied~~  
2 ~~against the fleet owner.~~

3 ~~(f) The tax assessor may require an owner to disclose any or all information necessary to~~  
4 ~~determine tax situs and value of the vehicles and trailers that are subject to excise.~~

5 ~~(g) If the owner fails to supply the requested information, then the tax assessor shall~~  
6 ~~assess the vehicles and trailers at what he or she deems to be their value, and the owner, if~~  
7 ~~overtaxed, shall have no remedy for this assessment.~~

8 **44-34-4.1. Exemptions for buses, trucks and trailers in interstate commerce.**

9 ~~(a) Notwithstanding any provision of the general laws to the contrary, the operation of a~~  
10 ~~truck, or trailer by a trucking company in interstate commerce shall not be subject to the~~  
11 ~~provisions of the excise tax imposed by this chapter, on the condition that the truck and/or trailer~~  
12 ~~is utilized exclusively in interstate commerce.~~

13 ~~(b) Notwithstanding any provision of the law or regulation to the contrary, the operation~~  
14 ~~of a bus by a bus company in interstate commerce shall not be subject to the provisions of the~~  
15 ~~excise tax imposed by this chapter, on the condition that the bus is used eighty percent (80%) or~~  
16 ~~more of the time in interstate commerce and provided that the bus company shall provide a~~  
17 ~~properly executed affidavit attesting to the fact that the bus is used no less than eighty percent~~  
18 ~~(80%) of the time in interstate commerce.~~

19 **44-34-5. Veterans' and other property tax exemptions.**

20 ~~(a) Those veterans, gold star parents, and blind persons who qualify for property tax~~  
21 ~~exemption under §§ 30-22-1—30-22-4 and §§ 44-3-4, 44-3-5, and 44-3-12 shall have the~~  
22 ~~exemption applied to their real estate and tangible personal property, other than registered~~  
23 ~~vehicles or trailers, in the communities where they reside as prescribed in those sections.~~  
24 ~~However, if there is not sufficient property to exhaust the exemption, the balance of the~~  
25 ~~exemption shall be applied to the excise tax on his or her motor vehicle or trailer.~~

26 ~~(b) The amount of exemption shall not exceed the amount of excise levied on those~~  
27 ~~vehicles owned by the person.~~

28 **44-34-6. Fire districts.**

29 ~~The provisions of this chapter shall apply in all respects in the case of taxes assessed~~  
30 ~~upon motor vehicles by any fire district. Effective with the year 2000 tax roll based upon values~~  
31 ~~of December 31, 1999, the authority of fire districts as authorized by general or public law to levy~~  
32 ~~excise taxes on motor vehicles is eliminated and each district shall be reimbursed for one hundred~~  
33 ~~percent (100%) of current year lost revenues through fiscal year 2010 based upon what the levy~~  
34 ~~net of personal exemptions would otherwise have been. That reimbursement shall be based upon~~

1 ~~submission of information to the department of revenue on the dates specified in § 44-34.1-2, and~~  
2 ~~reimbursements shall be paid on the dates specified in that section. Future year reimbursements~~  
3 ~~through fiscal year 2010 shall be based upon the year 2000 tax roll and values of December 31,~~  
4 ~~1999, and indexed by applying the annual change in the December Consumer Price Index—All~~  
5 ~~Urban Consumers (CPI-U). For fiscal year 2011 and thereafter the state shall not reimburse fire~~  
6 ~~districts pursuant to this chapter. Provided, for fiscal year 2011, and thereafter, the authority of~~  
7 ~~fire districts to levy excise taxes shall be deemed restored. The year 2010 tax roll shall be based~~  
8 ~~upon values of December 31, 2009, with corresponding adjustments made for each subsequent~~  
9 ~~year based on the valuation of vehicles as of December 31 of the year preceding the tax year.~~

10 **44-34-7. Severability.**

11 ~~If any provision of this chapter is held invalid, the remainder of this chapter and the~~  
12 ~~application of its provisions shall not be affected by this invalidity.~~

13 **44-34-8. Appeal procedure.**

14 ~~(a) (1) Any taxpayer aggrieved by a valuation may appeal that valuation to the tax~~  
15 ~~assessor within forty five (45) days of notice of valuation. When the valuation of the vehicle has~~  
16 ~~been made by the assessor, the assessor shall render a decision within ten (10) days of the filing~~  
17 ~~of the appeal. When the valuation of the vehicle has been made by the Rhode Island vehicle~~  
18 ~~valuation commission, the assessor shall forward the appeal on the form provided by the~~  
19 ~~commission to the Rhode Island vehicle valuation commission within ten (10) days. The~~  
20 ~~commission shall transmit its decision to the tax assessor within twenty (20) days of the receipt of~~  
21 ~~the appeal.~~

22 ~~(2) The tax assessor shall notify the aggrieved taxpayer, in writing, of the commission~~  
23 ~~decision within ten (10) days of the receipt of the commission decision.~~

24 ~~(b) Within thirty (30) days of the notification of the decision of the tax assessor or the~~  
25 ~~commission, an aggrieved taxpayer may appeal the decision to the district court for the judicial~~  
26 ~~division within which the city or town is located.~~

27 ~~(c) A party aggrieved by a final order of the district court may seek review of this order in~~  
28 ~~the state supreme court by writ of certiorari. The petition for a writ of certiorari shall state the~~  
29 ~~errors claimed. Upon the filing of the petition with the clerk of the supreme court, the supreme~~  
30 ~~court may, if it sees fit, issue its writ of certiorari to the district court to certify to the supreme~~  
31 ~~court the record of the proceeding under review, or so much of this as was submitted to the~~  
32 ~~district court by the parties, together with any additional record of the proceedings in the district~~  
33 ~~court.~~

34 **44-34-9. Valuation of motor vehicles.**

1           ~~For the purpose of the imposition of an excise tax upon motor vehicles, the tax assessor~~  
2 ~~shall determine the value of each motor vehicle in accordance with the following procedures:~~

3           ~~(1) Each vehicle and trailer of the same make, type, model, and year of manufacture in~~  
4 ~~this state shall be deemed to have one uniform statewide value to be utilized in each city and~~  
5 ~~town, except in those instances where no uniform value is established pursuant to the rules of the~~  
6 ~~vehicle value commission § 44-34-11 or where a value is established by the assessor pursuant to §~~  
7 ~~44-34-2.~~

8           ~~(2) The uniform value of each type of vehicle and trailer shall be determined by the~~  
9 ~~Rhode Island vehicle value commission or in accordance with the rules of the vehicle value~~  
10 ~~commission.~~

11           ~~(3) The value of each vehicle or trailer or each type vehicle or trailer not established by~~  
12 ~~the Rhode Island vehicle value commission shall be determined by the assessor of the city or~~  
13 ~~town in which the vehicle or trailer is registered. In making the determination, a uniform flat~~  
14 ~~value for the vehicles in the municipality may be utilized by the assessor.~~

15           ~~**44-34-10. -- 44-34-10.2. Repealed.**~~

16           ~~**44-34-11. Rhode Island vehicle value commission.**~~

17           ~~(a) There is hereby authorized, created, and established the "Rhode Island vehicle value~~  
18 ~~commission" whose function it is to establish presumptive values of vehicles and trailers subject~~  
19 ~~to the excise tax.~~

20           ~~(b) The commission shall consist of the following seven (7) members as follows:~~

21           ~~(1) The director of the department of revenue or his/her designee from the department of~~  
22 ~~revenue;~~

23           ~~(2) Five (5) local tax officials named by the governor, at least one of whom shall be from~~  
24 ~~a city or town under ten thousand (10,000) population and at least one of whom is from a city or~~  
25 ~~town over fifty thousand (50,000) population in making these appointments the governor shall~~  
26 ~~give due consideration to the recommendations submitted by the President of the Rhode Island~~  
27 ~~League of Cities and Towns and each appointment shall be subject to the advice and consent of~~  
28 ~~the senate;~~

29           ~~(3) And one motor vehicle dealer appointed by the governor upon giving due~~  
30 ~~consideration to the recommendation of the director of revenue and subject to the advice and~~  
31 ~~consent of the senate.~~

32           ~~(4) All members shall serve for a term of three (3) years.~~

33           ~~(5) Current legislative appointees shall cease to be members of the commission upon the~~  
34 ~~effective date of this act. Non-legislative appointees to the commission may serve out their terms~~

1 ~~whereupon their successors shall be appointed in accordance with this act. No one shall be~~  
2 ~~eligible for appointment to the commission unless he or she is a resident of this state.~~

3 ~~(6) Public members of the commission shall be removable by the governor pursuant to §~~  
4 ~~36-1-7 for cause only, and removal solely for partisan or personal reasons unrelated to capacity or~~  
5 ~~fitness for the office shall be unlawful.~~

6 ~~(7) The governor shall appoint a chairperson from the commission's members. The~~  
7 ~~commission shall elect from among its members other officers as it may deem appropriate.~~

8 ~~(e) The commission shall annually determine the presumptive values of vehicles and~~  
9 ~~trailers subject to the excise tax in the following manner:~~

10 ~~(1) Not earlier than September 30 and not later than December 31 of each year, the~~  
11 ~~commission shall by rule adopt a methodology for determining the presumptive value of vehicles~~  
12 ~~and trailers subject to the excise tax which shall give consideration to the following factors:~~

13 ~~(i) The average retail price of similar vehicles of the same make, model, type, and year of~~  
14 ~~manufacture as reported by motor vehicle dealers or by official used car guides, such as that of~~  
15 ~~the National Automobile Dealers Association for New England. Where regional guides are not~~  
16 ~~available, the commission shall use other publications deemed appropriate; and~~

17 ~~(ii) Other information concerning the average retail prices for make, model, type, and~~  
18 ~~year of manufacture of motor vehicles as the director and the Rhode Island vehicle value~~  
19 ~~commission may deem appropriate to determine fair values.~~

20 ~~(2) On or before February 1 of each year, it shall adopt a list of values for vehicles and~~  
21 ~~trailers of the same make, model, type, and year of manufacture as of the preceding December 31~~  
22 ~~in accordance with the methodology adopted between September 30 and December 31; the list~~  
23 ~~shall be subject to a public hearing at least five (5) business days prior to the date of its adoption.~~

24 ~~(3) Nothing in this section shall be deemed to require the commission to determine the~~  
25 ~~presumptive value of vehicles and trailers which are unique, to which special equipment has been~~  
26 ~~added or to which special modifications have been made, or for which adequate information is~~  
27 ~~not available from the sources referenced in subdivision (1) of this subsection; provided, that the~~  
28 ~~commission may consider those factors in its lists or regulations.~~

29 ~~(4) The commission shall annually provide the list of presumptive values of vehicles and~~  
30 ~~trailers to each tax assessor on or before February 15 of each year.~~

31 ~~(d) The commission shall adopt rules governing its organization and the conduct of its~~  
32 ~~business; prior to the adoption of the rules, the chair shall have the power to call meetings, and a~~  
33 ~~simple majority of the members of the commission, as provided for in subsection (b) of this~~  
34 ~~section, is necessary for a quorum, which quorum by majority vote shall have the power to~~



1 ~~conduct business in the name of the commission. The commission may adopt rules and elect from~~  
2 ~~among its members such other officers as it deems necessary.~~

3 ~~(e) The commission shall have the power to contract for professional services that it~~  
4 ~~deems necessary for the development of the methodology for determining presumptive values, for~~  
5 ~~calculating presumptive values according to the methodology, and for preparing the list of~~  
6 ~~presumptive values in a form and format that is generally usable by cities and towns in their~~  
7 ~~preparation of tax bills. The commission shall also have the power to incur reasonable expenses~~  
8 ~~in the conduct of its business as required by this chapter and to authorize payments for the~~  
9 ~~expenses.~~

10 ~~(f) Commission members shall receive no compensation for the performance of their~~  
11 ~~duties but may be reimbursed for their reasonable expenses incurred in carrying out such duties.~~

12 ~~(g) The commission shall respond to petitions of appeal by local boards of review in~~  
13 ~~accordance with the provisions of § 44-34-9.~~

14 ~~(h) The commission shall establish, by rule, procedures for adopting an annual budget~~  
15 ~~and for administering its finances. After July 1, 1986, one half (1/2) of the cost of the~~  
16 ~~commission's operations shall be borne by the state and one half (1/2) shall be borne by cities and~~  
17 ~~towns within the state, with the city and town share distributed among cities and towns on a per~~  
18 ~~capita basis.~~

19 ~~(i) Within ninety (90) days after the end of each fiscal year, the commission shall approve~~  
20 ~~and submit an annual report to the governor, the speaker of the house of representatives, the~~  
21 ~~president of the senate, and the secretary of state of its activities during that fiscal year. The report~~  
22 ~~shall provide: an operating statement summarizing meetings or hearings held, meeting minutes if~~  
23 ~~requested, subjects addressed, decisions rendered, rules or regulations promulgated, studies~~  
24 ~~conducted, policies and plans developed, approved, or modified, and programs administered or~~  
25 ~~initiated; a consolidated financial statement of all funds received and expended including the~~  
26 ~~source of the funds, a listing of any staff supported by these funds, and a summary of any clerical,~~  
27 ~~administrative or technical support received; a summary of performance during the previous~~  
28 ~~fiscal year including accomplishments, shortcomings and remedies; a synopsis of hearings,~~  
29 ~~complaints, suspensions, or other legal matters related to the authority of the commission; a~~  
30 ~~summary of any training courses held pursuant to this subsection, a briefing on anticipated~~  
31 ~~activities in the upcoming fiscal year; and findings and recommendations for improvements. The~~  
32 ~~report shall be posted electronically on the general assembly and the secretary of state's websites~~  
33 ~~as prescribed in § 42-20-8.2. The director of the department of revenue shall be responsible for~~  
34 ~~the enforcement of this provision.~~

1           ~~**44-34-12. Cooperation of state agencies.**~~

2           ~~The department of revenue shall provide space and secretarial and clerical services to the~~  
3 ~~Rhode Island vehicle value commission without charge to the commission. The department of~~  
4 ~~transportation, and the department of revenue shall provide, consistent with law, information that~~  
5 ~~is in their possession, which the commission determines to be useful or necessary in the conduct~~  
6 ~~of its responsibilities.~~

7           ~~**44-34-13. Tax exemption on vehicles adapted for persons who are disabled.**~~

8           ~~(a) The city or town councils of the various cities and towns may, by ordinance, exempt~~  
9 ~~from taxation up to fifty percent (50%) of the value of any motor vehicle that is necessary to~~  
10 ~~transport a family member with a disability or where the vehicle has been specially adapted to~~  
11 ~~meet the specific needs of the person with a disability. This exemption shall apply to not more~~  
12 ~~than one motor vehicle owned and registered for personal, noncommercial use. After the~~  
13 ~~assessors have allowed an exemption under this section, no further evidence of the existence of~~  
14 ~~the facts required by this section shall be required in any subsequent year in the city or town in~~  
15 ~~which the exemption has been allowed.~~

16           ~~(b) For the purpose of this section:~~

17           ~~(1) "Special adaptations" includes, but is not limited to: wheelchair lifts; wheelchair~~  
18 ~~carriers; wheelchair ramps; wheelchair securements; hand controls; steering devices; extensions,~~  
19 ~~relocations, and crossovers of operator controls; power assisted controls; raised tops or dropped~~  
20 ~~floors; raised entry doors; or alternative signaling devices to auditory signals.~~

21           ~~(2) "Specially adapted motor vehicle" means a motor vehicle with special adaptations;~~  
22 ~~provided, that the cost of the special adaptations meets or exceeds seven percent (7%) of the~~  
23 ~~value of the motor vehicle; provided, further, that the town of Johnston may, by ordinance,~~  
24 ~~provide for an exemption when the cost of special adaptations is not less than two percent (2%).~~

25           ~~**44-34-14. Exemption for certain vehicles in the town of Warren.**~~

26           ~~The town of Warren may by ordinance exempt from the tax imposed by this chapter in an~~  
27 ~~amount not to exceed one hundred dollars (\$100) motor vehicles registered in Warren primarily~~  
28 ~~fueled by:~~

29           ~~(1) Gas produced from biomass, with "biomass" meaning any organic material other than~~  
30 ~~oil, natural gas and coal (including lignite) or any product thereof;~~

31           ~~(2) Liquid, gaseous or solid synthetic fuels, produced from coal;~~

32           ~~(3) Coke or coke gas; or~~

33           ~~(4) Electric motor drawing current from rechargeable batteries, fuel cells or other~~  
34 ~~portable sources of electrical current.~~

1 SECTION 2. Chapter 44-34.1 of the General Laws entitled "Motor Vehicle and Trailer  
2 Excise Tax Elimination Act of 1998" is hereby repealed in its entirety.

3 ~~CHAPTER 44-34.1~~

4 ~~Motor Vehicle and Trailer Excise Tax Elimination Act of 1998~~

5 ~~44-34.1-1. Excise tax phase-out.~~

6 ~~(a) (1) Notwithstanding the provisions of chapter 34 of this title or any other provisions to~~  
7 ~~the contrary, the motor vehicle and trailer excise tax established by § 44-34-1 may be phased out.~~  
8 ~~The phase-out shall apply to all motor vehicles and trailers, including leased vehicles.~~

9 ~~(2) Lessors of vehicles that pay excise taxes directly to municipalities shall provide~~  
10 ~~lessees, at the time of entering into the lease agreement, an estimate of annual excise taxes~~  
11 ~~payable throughout the term of the lease. In the event the actual excise tax is less than the~~  
12 ~~estimated excise tax, the lessor shall annually rebate to the lessee the difference between the~~  
13 ~~actual excise tax and the estimated excise tax.~~

14 ~~(b) Pursuant to the provisions of this section, all motor vehicles shall be assessed a value~~  
15 ~~by the vehicle value commission. That value shall be assessed according to the provisions of §~~  
16 ~~44-34-11(c)(1) and in accordance with the terms as defined in subsection (d) of this section;~~  
17 ~~provided, however, that the maximum taxable value percentage applicable to model year values~~  
18 ~~as of December 31, 1997, shall continue to be applicable in future year valuations aged by one~~  
19 ~~year in each succeeding year.~~

20 ~~(c) (1) The motor vehicle excise tax phase-out shall commence with the excise tax bills~~  
21 ~~mailed to taxpayers for the fiscal year 2000. The phase-out, beyond fiscal year 2003, shall be~~  
22 ~~subject to annual review and appropriation by the general assembly. The tax assessors of the~~  
23 ~~various cities and towns and fire districts shall reduce the average retail value of each vehicle~~  
24 ~~assessed by using the prorated exemptions from the following table:~~

25 ~~Local Fiscal Year Exempt from value — Local Exemption — State fiscal year Reimbursement~~

26 <del>fiscal year 1999</del>	<del>0</del>	<del>\$1,500</del>
27 <del>fiscal year 2000</del>	<del>\$1,500</del>	<del>\$2,500</del>
28 <del>fiscal year 2001</del>	<del>\$2,500</del>	<del>\$3,500</del>
29 <del>fiscal year 2002</del>	<del>\$3,500</del>	<del>\$4,500</del>
30 <del>fiscal years 2003, 2004 and 2005</del>	<del>\$4,500</del>	<del>\$4,500</del>
31 <del>for fiscal year 2006 and</del>	<del>\$5,000</del>	<del>\$5,000</del>
32 <del>for fiscal year 2007</del>	<del>\$6,000</del>	<del>\$6,000</del>

33 ~~for fiscal years 2008, 2009 and 2010 the exemption and the state fiscal year~~  
34 ~~reimbursement shall be increased, at a minimum, to the maximum amount to the nearest two~~

1 ~~hundred and fifty dollar (\$250) increment within the allocation of one and twenty two hundredths~~  
2 ~~percent (1.22%) of net terminal income derived from video lottery games pursuant to the~~  
3 ~~provisions of § 42-61-15, and in no event shall the exemption in any fiscal year be less than the~~  
4 ~~prior fiscal year.~~

5 ~~for fiscal year 2011 and thereafter, the exemption shall be five hundred dollars (\$500).~~  
6 ~~Cities and towns may provide an additional exemption; provided, however, any such additional~~  
7 ~~exemption shall not be subject to reimbursement.~~

8 ~~(2) The excise tax phase out shall provide levels of assessed value reductions until the tax~~  
9 ~~is eliminated or reduced as provided in this chapter.~~

10 ~~(3) Current exemptions shall remain in effect as provided in this chapter.~~

11 ~~(4) The excise tax rates and ratios of assessment shall be maintained at a level identical to~~  
12 ~~the level in effect for fiscal year 1998 for each city, town, and fire district; provided, in the town~~  
13 ~~of Johnston the excise tax rate and ratios of assessment shall be maintained at a level identical to~~  
14 ~~the level in effect for fiscal year 1999 levels and the levy of a city, town, or fire district shall be~~  
15 ~~limited to the lesser of the maximum taxable value or net assessed value for purposes of~~  
16 ~~collecting the tax in any given year. Provided, however, for fiscal year 2011 and thereafter, the~~  
17 ~~rates and ratios of assessment may be less than but not more than the rates described in this~~  
18 ~~subsection (4).~~

19 ~~(d) Definitions.~~

20 ~~(1) "Maximum taxable value" means the value of vehicles as prescribed by § 44-34-11~~  
21 ~~reduced by the percentage of assessed value applicable to model year values as determined by the~~  
22 ~~Rhode Island vehicle value commission as of December 31, 1997, for the vehicles valued by the~~  
23 ~~commission as of December 31, 1997. For all vehicle value types not valued by the Rhode Island~~  
24 ~~vehicle value commission as of December 31, 1997, the maximum taxable value shall be the~~  
25 ~~latest value determined by a local assessor from an appropriate pricing guide, multiplied by the~~  
26 ~~ratio of assessment used by that city, town, or fire district for a particular model year as of~~  
27 ~~December 31, 1997.~~

28 ~~(2) "Net assessed value" means the motor vehicle values as determined in accordance~~  
29 ~~with § 44-34-11 less all personal exemptions allowed by cities, towns, fire districts, and the state~~  
30 ~~of Rhode Island exemption value as provided for in § 44-34-1-1(e)(1).~~

31 ~~(e) If any provision of this chapter shall be held invalid by any court of competent~~  
32 ~~jurisdiction, the remainder of this chapter and the applications of the provisions hereof shall not~~  
33 ~~be effected thereby.~~

34 **44-34.1-2. City and town and fire district reimbursement.**

1           ~~(a) In fiscal years 2000 and thereafter, cities and towns and fire districts shall receive~~  
2 ~~reimbursements, as set forth in this section, from state general revenues equal to the amount of~~  
3 ~~lost tax revenue due to the phase out or reduction of the excise tax. Cities and towns and fire~~  
4 ~~districts shall receive advance reimbursements through state fiscal year 2002. In the event the tax~~  
5 ~~is phased out, cities and towns and fire districts shall receive a permanent distribution of sales tax~~  
6 ~~revenue pursuant to § 44-18-18 in an amount equal to any lost revenue resulting from the excise~~  
7 ~~tax elimination. Lost revenues must be determined using a base tax rate fixed at fiscal year 1998~~  
8 ~~levels for each city, town, and fire district, except that the Town of Johnston's base tax rate must~~  
9 ~~be fixed at a fiscal year 1999 level. Provided, however, for fiscal year 2011 and thereafter, the~~  
10 ~~base tax rate may be less than but not more than the rates described in this subsection (a).~~

11           ~~(b) (1) The director of administration shall determine the amount of general revenues to~~  
12 ~~be distributed to each city and town and fire district for the fiscal years 1999 and thereafter so that~~  
13 ~~every city and town and fire district is held harmless from tax loss resulting from this chapter,~~  
14 ~~assuming that tax rates are indexed to inflation through fiscal year 2003.~~

15           ~~(2) The director of administration shall index the tax rates for inflation by applying the~~  
16 ~~annual change in the December Consumer Price Index—All Urban Consumers (CPI-U),~~  
17 ~~published by the Bureau of Labor Statistics of the United States Department of Labor, to the~~  
18 ~~indexed tax rate used for the prior fiscal year calculation; provided, that for state reimbursements~~  
19 ~~in fiscal years 2004 and thereafter, the indexed tax rate shall not be subject to further CPI-U~~  
20 ~~adjustments. The director shall apply the following principles in determining reimbursements:~~

21           ~~(i) Exemptions granted by cities and towns and fire districts in the fiscal year 1998 must~~  
22 ~~be applied to assessed values prior to applying the exemptions in § 44-34.1-1(c)(1). Cities and~~  
23 ~~towns and fire districts will not be reimbursed for these exemptions.~~

24           ~~(ii) City, town, and fire districts shall be reimbursed by the state for revenue losses~~  
25 ~~attributable to the exemptions provided for in § 44-34.1-1 and the inflation indexing of tax rates~~  
26 ~~through fiscal 2003. Reimbursement for revenue losses shall be calculated based upon the~~  
27 ~~difference between the maximum taxable value less personal exemptions and the net assessed~~  
28 ~~value.~~

29           ~~(iii) Inflation reimbursements shall be the difference between:~~

30           ~~(A) The levy calculated at the tax rate used by each city and town and fire district for~~  
31 ~~fiscal year 1998 after adjustments for personal exemptions but prior to adjustments for~~  
32 ~~exemptions contained in § 44-34.1-1(c)(1); provided, that for the town of Johnston the tax rate~~  
33 ~~used for fiscal year 1999 must be used for the calculation; and~~

34           ~~(B) The levy calculated by applying the appropriate cumulative inflation adjustment~~

1 through state fiscal 2003 to the tax rate used by each city and town and fire district for fiscal year  
2 1998; provided, that for the town of Johnston the tax rate used for fiscal year 1999 shall be used  
3 for the calculation after adjustments for personal exemptions but prior to adjustments for  
4 exemptions contained in § 44-34.1-1.

5 (c) (1) Funds shall be distributed to the cities and towns and fire districts as follows:

6 (i) On October 20, 1998, and each October 20 thereafter through October 20, 2001,  
7 twenty five percent (25%) of the amount calculated by the director of administration to be the  
8 difference for the upcoming fiscal year.

9 (ii) On February 20, 1999, and each February 20 thereafter through February 20, 2002,  
10 twenty five percent (25%) of the amount calculated by the director of administration to be the  
11 difference for the upcoming fiscal year.

12 (iii) On June 20, 1999, and each June 20 thereafter through June 20, 2002, fifty percent  
13 (50%) of the amount calculated by the director of administration to be the difference for the  
14 upcoming fiscal year.

15 (iv) On August 1, 2002, and each August 1 thereafter, twenty five percent (25%) of the  
16 amount calculated by the director of administration to be the difference for the current fiscal year.

17 (v) On November 1, 2002, and each November 1 thereafter, twenty five percent (25%) of  
18 the amount calculated by the director of administration to be the difference for the current fiscal  
19 year.

20 (vi) On February 1, 2003, and each February 1 thereafter, twenty five percent (25%) of  
21 the amount calculated by the director of administration to be the difference for the current fiscal  
22 year.

23 (vii) On May 1, 2003, and each May 1 thereafter, except May 1, 2010, twenty five  
24 percent (25%) of the amount calculated by the director of administration to be the difference for  
25 the current fiscal year.

26 (viii) On June 15, 2010, twenty five percent (25%) of the amount calculated by the  
27 director of administration to be the difference for the current fiscal year.

28 Provided, however, the February and May payments, and June payment in 2010, shall be  
29 subject to submission of final certified and reconciled motor vehicle levy information.

30 (2) Each city, town, or fire district shall submit final certified and reconciled motor  
31 vehicle levy information by August 30 of each year. Any adjustment to the estimated amounts  
32 paid in the previous fiscal year shall be included or deducted from the payment due November 1.

33 (3) On any of the payment dates specified in paragraphs (1)(i) through (vii) of this  
34 subsection, the director is authorized to deduct previously made over payments or add

1 ~~supplemental payments as may be required to bring the reimbursements into full compliance with~~  
2 ~~the requirements of this chapter.~~

3 ~~(4) For the city of East Providence, the payment schedule is twenty five percent (25%) on~~  
4 ~~February 20, 1999, and each February 20 thereafter through February 20, 2002, twenty five~~  
5 ~~percent (25%) on June 20, 1999, and each June 20 thereafter through June 20, 2002, which~~  
6 ~~includes final reconciliation of the previous year's payment, and fifty percent (50%) on October~~  
7 ~~20, 1999, and each October 20 thereafter through October 20, 2002. For local fiscal years 2003~~  
8 ~~and thereafter, the payment schedule is twenty five percent (25%) on each November 1, twenty~~  
9 ~~five percent (25%) on each February 1, twenty five percent (25%) on each May 1, which includes~~  
10 ~~final reconciliation of the previous year's payment, and twenty five percent (25%) on each~~  
11 ~~August 1; provided, the May and August payments shall be subject to submission of final~~  
12 ~~certified and reconciled motor vehicle levy information.~~

13 ~~(5) When the tax is phased out, funds distributed to the cities, towns, and fire districts for~~  
14 ~~the following fiscal year shall be calculated as the funds distributed in the fiscal year of the phase~~  
15 ~~out. Twenty five percent (25%) of the amounts calculated shall be distributed to the cities and~~  
16 ~~towns and fire districts on August 1, in the fiscal year of the phase out, twenty five percent (25%)~~  
17 ~~on the following November 1, twenty five percent (25%) on the following February 1, and~~  
18 ~~twenty five percent (25%) on the following May 1. The funds shall be distributed to each city and~~  
19 ~~town and fire district in the same proportion as distributed in the fiscal year of the phase out.~~

20 ~~(6) When the tax is phased out to August 1, of the following fiscal year the director of~~  
21 ~~administration shall calculate to the nearest tenth of one cent (\$.001) the number of cents of sales~~  
22 ~~tax received for the fiscal year ending June 30, of the year following the phase out equal to the~~  
23 ~~amount of funds distributed to the cities, towns, and fire districts under this chapter during the~~  
24 ~~fiscal year following the phase out and the percent of the total funds distributed in the fiscal year~~  
25 ~~following the phase out received by each city, town, and fire district, calculated to the nearest~~  
26 ~~one hundredth of one percent (0.01%). The director of the department of administration shall~~  
27 ~~transmit those calculations to the governor, the speaker of the house, the president of the senate,~~  
28 ~~the chairperson of the house finance committee, the chairperson of the senate finance committee,~~  
29 ~~the house fiscal advisor, and the senate fiscal advisor. The number of cents, applied to the sales~~  
30 ~~taxes received for the prior fiscal year, shall be the basis for determining the amount of sales tax~~  
31 ~~to be distributed to the cities and towns and fire districts under this chapter for second fiscal year~~  
32 ~~following the phase out and each year thereafter. The cities and towns and fire districts shall~~  
33 ~~receive that amount of sales tax in the proportions calculated by the director of administration as~~  
34 ~~that received in the fiscal year following the phase out.~~

1 ~~(7) When the tax is phased out, twenty five percent (25%) of the funds shall be~~  
2 ~~distributed to the cities, towns, and fire districts on August 1, of the following fiscal year and~~  
3 ~~every August 1 thereafter; twenty five percent (25%) shall be distributed on the following~~  
4 ~~November 1, and every November 1 thereafter; twenty five percent (25%) shall be distributed on~~  
5 ~~the following February 1, and every February 1 thereafter; and twenty five percent (25%) shall be~~  
6 ~~distributed on the following May 1, and every May 1 thereafter.~~

7 ~~(8) For the city of East Providence, in the event the tax is phased out, twenty five percent~~  
8 ~~(25%) shall be distributed on November 1, of the following fiscal year and every November 1~~  
9 ~~thereafter; twenty five percent (25%) shall be distributed on the following February 1, and every~~  
10 ~~February 1 thereafter; twenty five percent (25%) shall be distributed on the following May 1, and~~  
11 ~~every May 1 thereafter; and twenty five percent (25%) of the funds shall be distributed on the~~  
12 ~~following August 1, and every August 1 thereafter.~~

13 ~~(9) As provided for in § 44-34-6, the authority of fire districts to tax motor vehicles is~~  
14 ~~eliminated effective with the year 2000 tax roll and the state reimbursement for fire districts shall~~  
15 ~~be based on the provisions of § 44-34-6. All references to fire districts in this chapter do not apply~~  
16 ~~to the year 2001 tax roll and thereafter.~~

17 ~~(10) For reimbursements payable in the year ending June 30, 2008 and thereafter, the~~  
18 ~~director of administration shall discount the calculated value of the exemption to ninety eight~~  
19 ~~percent (98%) in order to establish a collection rate that is comparable to the collection rate~~  
20 ~~achieved by municipalities in the levy of the motor vehicle excise tax.~~

21 ~~(11) For reimbursements payable in the year ending June 30, 2010, the director of~~  
22 ~~administration shall reimburse cities and towns eighty eight percent (88%) of the reimbursements~~  
23 ~~payable pursuant to subdivision (c)(10) above.~~

24 ~~(12) For fiscal year 2011 and thereafter, the state shall reimburse cities and towns for the~~  
25 ~~exemption pursuant to subdivision (c)(10) above, ratably reduced to the appropriation.~~

26 **44-34.1-3. Permanent oversight commission.**

27 ~~(a) There is created a permanent oversight commission on inventory taxes and~~  
28 ~~automobile excise taxes. The commission shall consist of the following members:~~

29 ~~(1) Chairperson of house finance committee, or designee;~~

30 ~~(2) Chairperson of senate finance committee, or designee;~~

31 ~~(3) Chairperson of the Rhode Island vehicle value commission;~~

32 ~~(4) Three (3) members of the Rhode Island Assessors Association;~~

33 ~~(5) Director of department of revenue, or designee;~~

34 ~~(6) Chief of the division of property valuation and municipal finance, or designee;~~



- 1 ~~(7) The president of the Rhode Island League of Cities and Towns, or designee;~~  
2 ~~(8) The administrator of the Rhode Island division of motor vehicles, or designee;~~  
3 ~~(9) The mayor of the city of Providence, or designee.~~

4 ~~(b) The purpose of the commission shall be to study and evaluate the phase out of the~~  
5 ~~automobile excise tax and to establish procedures when necessary to facilitate the phase out of~~  
6 ~~the tax by July 1, 2005.~~

7 ~~(c) The commission, at its first meeting, shall elect a chairperson from its membership.~~

8 ~~(d) The commission shall meet no less than two (2) times per year at the call of the~~  
9 ~~chairperson or upon the request of at least three (3) of its members.~~

10 ~~(e) The members shall receive no compensation for their services. All departments and~~  
11 ~~agencies of the state shall furnish advice and information, documentary or otherwise, to the~~  
12 ~~commission and its agents as is deemed necessary or desirable by the commission to facilitate the~~  
13 ~~purposes of the commission.~~

14 **44-34.1-4. Severability.**

15 ~~If any provision of this chapter or application of this chapter to any person or~~  
16 ~~circumstances is held invalid, that invalidity shall not affect other provisions or applications of~~  
17 ~~the chapter, which can be given effect without the invalid provision or application, and to this end~~  
18 ~~the provisions of this chapter are declared to be severable.~~

19 SECTION 3. Title 44 of the General Laws entitled "TAXATION" is hereby amended by  
20 adding thereto the following chapter:

21 CHAPTER 34.2

22 MOTOR VEHICLE AND TRAILER REPLACEMENT TAX ACT OF 2017

23 **44-34.2-1. Short title.**

24 This chapter shall be known as the "Motor Vehicle and Trailer Replacement Tax Act of  
25 2017."

26 **44-34.2-2. User and product landing fees.**

27 In lieu of the excise tax on motor vehicles and trailers, there is hereby established user  
28 and product landing fees for the state of Rhode Island. The department of revenue is authorized to  
29 administer and collect the fees in lieu of a motor vehicle excise, property tax.

30 (1) User fee:

31 (i) The state shall assess an annual user fee on every vehicle and trailer registered under  
32 chapter 3 of title 31, for the privilege of the registration, established by the department of  
33 revenue, based upon weight class and measured by miles traveled.

34 (ii) The miles traveled by the vehicle or trailer shall be recorded by the division of motor

1 vehicles at the time the vehicle and trailer is annually inspected, and the information shall be  
2 furnished by the division of motor vehicles to the department of revenue.

3 (iii) All user fees received by the state pursuant to this chapter shall be deposited as  
4 general revenues and distributed as follows:

5 (A) Seventy-five percent (75%) of the collected fees shall be distributed to the cities and  
6 towns based upon the registered address of the vehicle or trailer; and

7 (B) Twenty-five percent (25%) of the collected fees shall be deposited into the state's  
8 municipal road and bridge revolving fund.

9 (iv) Notwithstanding any provision of the general laws to the contrary, the operation of a  
10 truck or trailer by a trucking company, or a bus by a bus company, in interstate commerce shall  
11 be subject to the user fee imposed by this chapter. In furtherance thereof, weigh stations shall be  
12 established by the department of transportation at the state's borders, to be manned by the state  
13 police; provided, however, in lieu of the user fee imposed, trucking and bus companies operating  
14 in interstate commerce shall be offered an annual user fee to be established by the department of  
15 revenue.

16 (v) The user fee imposed by this chapter shall not apply to vehicles or trailers owned by  
17 the state of Rhode Island or any of its political subdivisions, or to vehicles or trailers owned by a  
18 corporation, association or other organization whose tangible personal property is exempt under  
19 §§44-3-3(a)(1) through (15), or to vehicles assessed and taxed under §44-13-13, or those owned  
20 by the United States government. Farm vehicles shall be exempt to the extent prescribed in §44-  
21 5-42.

22 (20) Product landing fee:

23 (i) The state shall assess a product landing fee, established by the department of revenue,  
24 on every product entering the state at a port of entry. The product landing fee shall be calculated  
25 at one cent (\$0.01) per pound of each product, to be weighed and collected at the port of entry,  
26 and remitted to the department of revenue.

27 (ii) The department of revenue shall administer and collect the product landing fees for  
28 the purpose of allowing the state to maintain a sustainable revenue stream in connection with the  
29 repayment of existing and future state bond indebtedness.

30 SECTION 4. This act shall take effect on July 1, 2017.

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LC001945  
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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF

A N A C T

RELATING TO TAXATION - EXCISE TAX ON MOTOR VEHICLES AND TRAILERS

\*\*\*

1           This act would repeal the excise tax on motor vehicles and replace it with user and  
2 product landing fees, which fees would be administered by the department of revenue and applied  
3 towards reimbursement to municipalities, funding of the state road and bridge revolving fund, and  
4 the maintenance of a sustainable revenue stream for the repayment of existing and future state  
5 bond indebtedness.

6           This act would take effect on July 1, 2017.

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