

Department of Planning and Budget
2025 General Assembly Session
State Fiscal Impact Statement

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ORIGINAL

Bill Number: HB1841ER

Patron: Wyatt

Bill Title: Motor vehicle sales and use tax; abandoned vehicles not sold at auction.

Bill Summary: Clarifies the basis by which the motor vehicle sales and use tax is calculated in cases where a person is applying for a title to an abandoned motor vehicle that is in their possession and did not sell at auction.

Budget Amendment Necessary: No.

Items Impacted: None.

Explanation: This legislation is not anticipated to generate a state fiscal impact.

Fiscal Summary: This bill codifies the way that the Department of Motor Vehicles (DMV) determines the sales price of an abandoned vehicle for purposes of calculating the motor vehicle sales and use tax (MVSUT). Under current law, landowners can auction off abandoned vehicles left on their property. If the vehicle does not sell at auction, they can apply for a title themselves but must pay the MVSUT. Since there is no sale price in such cases, DMV uses industry guides such as the National Automobile Dealers Association Guide or Kelly Blue Book to estimate the abandoned vehicle's value. This proposal will codify existing DMV practice.

Fiscal Analysis: The Department of Motor Vehicles will implement this bill utilizing existing staff and resources.

Other: None.