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FISCAL IMPACT STATEMENT

LS 6438

BILL NUMBER: SB 470

NOTE PREPARED: Jan 5, 2011

BILL AMENDED:

SUBJECT: Motor Vehicle Excise Surtax Credit.

FIRST AUTHOR: Sen. Leising

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill provides that an owner of a vehicle who sells the vehicle and paid the County Motor Vehicle Excise Surtax in a specific amount is entitled to receive a credit for the Surtax paid for the vehicle. The bill provides that the credit may be applied by the owner only against the Surtax owed for a vehicle that is purchased during the same registration year. It also provides that the owner is not entitled to a refund of any part of a credit that is not used.

Effective Date: January 1, 2012.

Explanation of State Expenditures: The Bureau of Motor Vehicles (BMV) would incur some additional administrative costs for computer programming and staff training. The fund affected is the Motor Vehicle Highway Account, which supports the BMV.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: Under current law, a person is eligible to receive a credit for a portion of the excise tax paid on a motor vehicle that is sold during the year. In addition, the vehicle owner is eligible to receive a credit for a portion of the Excise Surtax, if any, that was paid on that vehicle.

In CY 2010, 47 counties imposed an Excise Surtax. The Surtax rate was a flat amount in 28 of those counties and the Surtax rate was based on a percentage of the pre-1996 excise tax schedule in the other 19 counties. Under this bill, a person that sells a vehicle would be entitled to a full refund of the Surtax paid in a county

that charges a flat amount. The credit would not be refundable and could only be used against the Surtax charge on a replacement vehicle in the same year. A surtax credit in a county with a percentage-based Surtax would continue to be calculated as a pro-rated amount of the tax paid.

This fiscal impact statement will be updated upon receipt of excise tax credit data.

State Agencies Affected: Bureau of Motor Vehicles.

Local Agencies Affected:

Information Sources:

Fiscal Analyst: Bob Sigalow, 317-232-9859.