

FISCAL NOTE
HOUSE BILL NO. 1436
LC# 25.0838.01000
01/21/2025
Revised - 01/21/2025

1 - State Fiscal Effect

Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.

	2023-2025 Biennium		2025-2027 Biennium		2027-2029 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues			\$(8,400,000)	\$(8,400,000)	\$(8,400,000)	\$(8,400,000)
Expenditures						
Appropriations						

2 - County, City, School District, and Township Fiscal Effect

Identify the fiscal effect on the appropriate political subdivision.

	2023-2025 Biennium	2025-2027 Biennium	2027-2029 Biennium
Counties			
Cities			
School Districts			
Townships			

3 - Bill and Fiscal Impact Summary

Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).

HB 1436 imposes a motor vehicle excise tax rate of five percent, three percent, or one percent based on the age of the taxable motor vehicle at the time of purchase or acquisition.

4 - Fiscal Impact Sections Detail

Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.

Section 1 of HB 1436 impose a motor vehicle excise tax rate of five percent on a motor vehicle fewer than eleven years old at the time of purchase or acquisition, three percent on a motor vehicle eleven or more years old but fewer than twenty-six years old at the time of purchase or acquisition, or one percent on a motor vehicle more than twenty-five years old at the time of purchase or acquisition. Because vehicles subject to motor vehicle excise tax are currently taxed at five percent, this will create a decrease in revenues from motor vehicle excise tax collections into the general fund and the highway distribution fund.

5 - Revenues Detail

For information shown under state fiscal effect in 1 or 2, please explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.

If enacted, HB 1436 is expected to reduce state general fund revenues by \$8.4 million and reduce highway distribution fund revenues by \$8.4 million each biennium for a total decrease in revenues of \$16.8 million per biennium if vehicle purchase activities remain consistent. Of the \$16.8 million total decrease in revenues per biennium, an estimated \$11.9 million is attributed to motor vehicles between eleven and twenty-five years old and \$4.9 million is attributed to motor vehicles over twenty-five years old.

6 - Expenditures Detail

For information shown under state fiscal effect in 1 or 2, please explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.

7 - Appropriations Detail

For information shown under state fiscal effect in 1 or 2, please explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.

Contact Information

Name: Shailyn Hieb

Agency: Office of State Tax Commissioner

Telephone: 7013283007

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