

**Testimony on SB 2255**  
**Senate Transportation Committee**  
**Senator Dick Dever**  
**February 11, 2021**

Mr. Chairman, members of the Committee, I am Dick Dever, Senator from District 32 here in Bismarck.

SB 2255 quite simply removes the excise tax on the sale of vehicles older than 40 years. 40 years was chosen because that is the time frame for vehicles that qualify for pioneer or antique plates at a one-time cost of only \$ 10.

I need to reveal right up front that I come to this hearing with a special interest in the bill. While I do not personally benefit from the bill, I have a son that does.

This bill is about the restoration of old vehicles, our heritage, and double taxation. This bill is good public policy.

He has started a vehicle collection of some very nice vehicles. I will talk about two of them. The first is a very nice 1956 Cadillac. It is one of a very limited edition. If you recall seeing the motorcade when John Kennedy was assassinated, you would have seen an identical car as the chase vehicle. I have no idea how much he paid for the vehicle, but I would guess that the excise tax was higher than the original cost of the car. He bought it from someone in Quebec, Canada saying that a car like that should really be in America.

The other vehicle is a 1956 Ford F100 pickup that he found in a field. He is having the pickup restored. He paid \$3,500 for the pickup. When he registers the pickup, the excise tax will be based on his purchase price. He will pay \$ 175.00. As every part is replaced, sales tax is paid. When it is finished, the value of the pickup will be greater than the sum of its parts. If he sells it, the buyer will be required to pay excise tax on the increased value even though sales tax was paid on most of it.

If you build a house, you will pay sales tax on all the materials that go into the construction of the house. You will not then pay sales tax on the purchase price of the house. The value of the house will be greater than the sum of its parts.

If a person buys a classic car or buys a vehicle in a field and invests in it, but parks it in a shop or showroom, they do not need to register it and pay the excise tax. The excise tax is for the privilege of driving a vehicle on the roads. As you might imagine, these vehicles are driven on the roads only sparingly.

The fiscal note for this bill shows a reduction in revenue of \$ 1.3 million for the biennium. The total revenues for the vehicle excise tax for the years 2019 and 2020 were \$ 268,445,148. This fiscal note is just under ½ of 1% of the total. More importantly, it represents double taxation.

I said at the beginning of my testimony that I don't personally benefit from this bill. Actually, I had the exhilarating experience of going for a ride in that Cadillac. As we drove down the street, an elderly couple was out for a walk. When they saw us coming, they stopped, they turned, and they waved.

Our quality of life is enhanced by the preservation of our history. I would encourage your favorable consideration of the bill. I would be happy to respond to any questions.