

SB 2312

Senator Joan Heckaman

Chairman and Members of the Committee: I am State Senator Joan Heckaman from District 23 and I am here this morning to introduce SB 2312 to you.

This bill is at the request of a constituent and she will be providing testimony to you, too.

This bill came about when she/husband purchased a new semi. In the process of negotiating, the dealership offered them much less than they estimated the trade in to be. They ended up selling the previous semi for significantly more than the dealership offered.

In the end, when they came to complete the registration and licensing of the new semi, they found they could not deduct the price of the vehicle they sold outright and ended up paying excise tax on the full amount of the new vehicle.

This bill is here to provide that they could provide supporting documentation that the trade-in had indeed been sold and deduct that selling price from the price of the new vehicle for taxing purposes.

Another side note I discovered is that there is a way this could have been done by the dealership with something called an “in/out” transaction. But no one made them aware of this option. An in/out seems to work through the dealership where documents are completed to do exactly what this bill intends to do.

There may be a way to amend this bill to state that dealerships must disclose the in/out option to purchasers, but I would imagine that dealerships will oppose this because it will decrease their used inventory. But if this option is a current practice or in current law, then why doesn't the dealership give notice to the customer about this option? Just something to think about.

You will notice there is a fiscal note attached. For your information, this seems to indicate that the customers in our state are paying \$35million more in excise tax than they should. Just something to think about.

That completes my testimony and I would stand for any questions but note that Mrs. Rosenberg has testimony for this bill.