

**FISCAL NOTE**  
**HOUSE BILL NO. 1484**  
**LC# 25.1004.01000**  
**01/24/2025**

**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			\$(38,642,000)	\$(46,010,000)	\$(38,642,000)	\$(46,010,000)
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		\$(42,000)	\$(42,000)
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 1484 modifies the existing motor vehicle excise tax rate and creates a motor vehicle excise tax exemption.

## 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 1484 would modify the existing motor vehicle excise tax rate from five percent to one-hundred dollars for motor vehicles ten or more years old at the time of purchase or acquisition. Vehicles less than ten years old at the time of purchase or acquisition would continue to be taxed at a rate of five percent. Section 2 would provide an exemption for motor vehicle excise tax on a motor vehicle that was already subject to tax in another state or on a motor vehicle purchased in a state that does not assess tax on the sale or use of a motor vehicle. The adjusted tax rate and the exemption would be expected to cause a decrease in revenue from motor vehicle excise tax collections.

## 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 future motor vehicle purchase activity remains consistent, HB 1484 is estimated to cause a decrease of \$84,694,000 in revenue per biennium from motor vehicle excise tax collections. The breakdown of this impact is \$38,642,000 to the general fund, \$38,642,000 to the flexible transportation fund, \$7,368,000 to the state aid fund, and \$42,000 to the county aid fund.

Of the total decrease in revenue, an estimated \$10,105,000 may be attributed to the adjusted tax rate in section 1. The remaining \$74,589,000 may be attributed to the exemption provided in section 2.

## 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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