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Representative Jared Hagert,

I am writing this letter to request that the state of North Dakota revisit the Administrative Code: Article 81-05.1 / Motor Vehicle Excise tax and strike the excise tax from the North Dakota Century Code.

This is based on the fact that an excise tax is levied at the point of sale as specified by the Internal Revenue Service (IRS) in the Small Business and self-employment section. The explicit verbiage is below:

***Excise taxes are taxes imposed on certain goods, services, and activities. Taxpayers include importers, manufacturers, retailers, and consumers, and vary depending on the specific tax. Excise taxes may be imposed at the time of:***

- ***Entry into the United States, or sale or use after importation***
- ***Sale or use by the manufacturer***
- ***Sale or use by retailer***
- ***Use by the consumer***

The link to the IRS website is (<https://www.irs.gov/businesses/small-businesses-self-employed/excise-tax>).

By the US Federal Governments own definition regarding excise tax, the excise tax is imposed at time of sale; which is the point of contention based Federal definitions. The time and use portion of the statement is contradictory when excise taxation is applied multiple years after a purchase to the present day.

The contention is that I bought and paid for vehicles in Montana multiple years prior to moving back home to North Dakota. By the Federal definition of a excise tax, this tax is to be collected at time of sale and since I was not a North Dakota resident at the time of sale, the excise tax is legally moot.

Furthermore, it is taxation without representation, and I will get into this later in the letter based on the initial valuation assessment by the DMV in Fargo last year.

The vehicles in question are a 2011 Ram 3500 and a 1999 Toyota Land Cruiser, the VIN identifiers are listed below:

- VIN# **JT3HT05JXX0070194** – 1999 Toyota Land Cruiser
- VIN# **3D73Y3CL7BG592398** – 2011 Ram 3500

The Ram 3500 is a Montana vehicle that was originally bought and paid for in Montana by the original owner but the 1999 Toyota Land Cruiser was bought in the state of Washington. Montana does not have a sales tax but Washington State does levy an excise/sales tax.

In accordance with the North Dakota Century Code - Subpart 81-05.1-02-02. Motor Vehicle Excise Tax Imposed, there is a caveat. If a sales tax has been paid on the vehicle,

*"A credit will be allowed for sales, use, or motor vehicle excise tax paid in another state on all motor vehicles purchased or acquired outside this state if the state in which the motor vehicle was purchased or acquired allows a similar credit. If the state in which the motor vehicle was purchased does not impose a sales tax or a motor vehicle excise tax, the North Dakota motor*

*vehicle **excise tax must be paid on the full purchase price of the vehicle before** license and registration will be issued in this state."*

Now, the Toyota Land Cruiser does meet the caveat requirements, but the Ram 3500 does not.

The dishonest thing, under the explicit context of this statute, is that I would have to pay full excise tax on the purchase price in accordance with NDCC - Subpart 81-05.1-02-02. This is why I call this taxation without representation. Under this particular subpart, it appears I am required to pay full sales tax on a vehicle that was purchased 7-years prior; which at 5% works out to be \$1500.

Retroactively applying a tax is the definition of dishonest government and outlines one reason of many why people do not want to move to North Dakota for active retention or interest of employment in the state. This is one thing for sure, if an original ND family moving back from Montana to North Dakota is met with a \$5,000 to \$7,500 welcome home tax, most families will say no.

My question is what did North Dakota do for me in that time? The answer is nothing.

The excise tax statute is not about the money it is about the principle.

Another thing that is in conflict is that the DMV was caught over-valuing my "assessed" vehicle price by almost double. This was reported last year and at the time I was told that if I didn't like it then I needed to get the law changed, challenge accepted.

I grew up in North Dakota and I did not know that I would be penalized like this when I moved back for family reasons from Montana.

Had I bought the vehicles while a North Dakota resident, then I would gladly pay the taxes at the time of sale. However, penalizing a Montana resident that moved home to be closer to family is immoral and why this is not taught in schools is beyond me.

In addition, reading into Chapter 57-40.3 on the Motor Vehicle Excise Tax, it is incongruent to Subpart 81.

For the best interest of the state of North Dakota, prior ND residents returning back from Montana should be exempt from paying the excise tax.

I have no problem paying the license fees but I will not pay the excise tax because I was not planning on moving back to ND 7-years ago and laws like this really hinder North Dakota.

For complete context, the letter submitted to Lt. Gov. Miller is displayed below.

In Liberty,

Anthony Stamness