

1.1 moves to amend H.F. No. 1992 as follows:

1.2 Page 26, after line 19, insert:

1.3 "ARTICLE 3

1.4 TRANSPORTATION-RELATED TAXES

1.5 Section 1. Minnesota Statutes 2022, section 168.013, subdivision 1a, is amended to read:

1.6 Subd. 1a. **Passenger automobile; hearse.** (a) On passenger automobiles as defined in
1.7 section 168.002, subdivision 24, and hearses, except as otherwise provided, the registration
1.8 tax is calculated as \$10 plus:

1.9 (1) for a vehicle initially registered in Minnesota prior to November 16, 2020, ~~4.25~~ 1.985
1.10 percent of the manufacturer's suggested retail price of the vehicle and the destination charge,
1.11 subject to the adjustments in paragraphs (f) and (g); or

1.12 (2) for a vehicle initially registered in Minnesota on or after November 16, 2020, ~~4.285~~
1.13 1.95 percent of the manufacturer's suggested retail price of the vehicle, subject to the
1.14 adjustments in paragraphs (f) and (g).

1.15 (b) The registration tax calculation must not include the cost of each accessory or item
1.16 of optional equipment separately added to the vehicle and the manufacturer's suggested
1.17 retail price. The registration tax calculation must not include a destination charge, except
1.18 for a vehicle previously registered in Minnesota prior to November 16, 2020.

1.19 (c) In the case of the first registration of a new vehicle sold or leased by a licensed dealer,
1.20 the dealer may elect to individually determine the registration tax on the vehicle using
1.21 manufacturer's suggested retail price information provided by the manufacturer. The registrar
1.22 must use the manufacturer's suggested retail price determined by the dealer as provided in
1.23 paragraph (d). A dealer that elects to make the determination must retain a copy of the

2.1 manufacturer's suggested retail price label or other supporting documentation with the
2.2 vehicle transaction records maintained under Minnesota Rules, part 7400.5200.

2.3 (d) The registrar must determine the manufacturer's suggested retail price:

2.4 (1) using list price information published by the manufacturer or any nationally
2.5 recognized firm or association compiling such data for the automotive industry;

2.6 (2) if the list price information is unavailable, using the amount determined by a licensed
2.7 dealer under paragraph (c);

2.8 (3) if a dealer does not determine the amount, using the retail price label as provided by
2.9 the manufacturer under United States Code, title 15, section 1232; or

2.10 (4) if the retail price label is not available, using the actual sales price of the vehicle.

2.11 If the registrar is unable to ascertain the manufacturer's suggested retail price of any registered
2.12 vehicle in the foregoing manner, the registrar may use any other available source or method.

2.13 (e) The registrar must calculate the registration tax using information available to dealers
2.14 and deputy registrars at the time the initial application for registration is submitted.

2.15 (f) The amount under paragraph (a), clauses (1) and (2), must be calculated based on a
2.16 percentage of the manufacturer's suggested retail price, as follows:

2.17 (1) during the first year of vehicle life, upon 100 percent of the price;

2.18 (2) for the second year, 90 percent of the price;

2.19 (3) for the third year, ~~80~~ 78 percent of the price;

2.20 (4) for the fourth year, ~~70~~ 60 percent of the price;

2.21 (5) for the fifth year, ~~60~~ 50 percent of the price;

2.22 (6) for the sixth year, ~~50~~ 34 percent of the price;

2.23 (7) for the seventh year, ~~40~~ 27 percent of the price;

2.24 (8) for the eighth year, ~~30~~ 18 percent of the price;

2.25 (9) for the ninth year, ~~20~~ 12 percent of the price;

2.26 (10) and for the tenth year, ~~ten~~ six percent of the price.

2.27 (g) For the 11th and each succeeding year, the amount under paragraph (a), clauses (1)
2.28 and (2), must be calculated as ~~\$25~~ \$20.

3.1 (h) Except as provided in subdivision 23, for any vehicle previously registered in
3.2 Minnesota and regardless of prior ownership, the total amount due under this subdivision
3.3 and subdivision 1m must not exceed the smallest total amount previously paid or due on
3.4 the vehicle.

3.5 **EFFECTIVE DATE.** This section is effective the day following final enactment and
3.6 applies to taxes payable for a registration period starting on or after January 1, 2024.

3.7 Sec. 2. Minnesota Statutes 2022, section 297B.02, subdivision 1, is amended to read:

3.8 Subdivision 1. **Rate.** (a) There is imposed an excise tax of ~~6.5~~ 6.875 percent on the
3.9 purchase price of any motor vehicle purchased or acquired, either in or outside of the state
3.10 of Minnesota, which is required to be registered under the laws of this state.

3.11 (b) The excise tax is also imposed on the purchase price of motor vehicles purchased or
3.12 acquired on Indian reservations when the tribal council has entered into a sales tax on motor
3.13 vehicles refund agreement with the state of Minnesota.

3.14 **EFFECTIVE DATE.** This section is effective for sales and purchases on or after
3.15 December 1, 2023.

3.16 Sec. 3. Minnesota Statutes 2022, section 297B.09, is amended to read:

3.17 **297B.09 ALLOCATION OF REVENUE.**

3.18 Subdivision 1. **Deposit of revenues.** (a) Money collected and received under this chapter
3.19 must be deposited as ~~provided in this subdivision.~~

3.20 ~~(b) (1) 60 percent of the money collected and received must be deposited in the highway~~
3.21 ~~user tax distribution fund, 36 percent must be deposited;~~

3.22 (2) 34.3 percent in the metropolitan area transit account under section 16A.88; ~~and four~~
3.23 ~~percent must be deposited~~

3.24 (3) 5.7 percent in the greater Minnesota transit account under section 16A.88.

3.25 ~~(e)~~ (b) It is the intent of the legislature that the allocations under paragraph (b) remain
3.26 unchanged for fiscal year ~~2012~~ 2024 and all subsequent fiscal years.

3.27 **EFFECTIVE DATE.** This section is effective January 1, 2024."

3.28 Page 30, delete section 6 and insert:

4.1 "Sec. 6. [162.146] LARGER CITIES ASSISTANCE.

4.2 Subdivision 1. Larger cities assistance account. A larger cities assistance account is
 4.3 established in the special revenue fund. The account consists of funds under sections 168.33,
 4.4 subdivision 7, and 168.54, subdivision 5, and as provided by law, and any other money
 4.5 donated, allotted, transferred, or otherwise provided to the account.

4.6 Subd. 2. Distribution formula. From an appropriation from the account by law, the
 4.7 commissioner of transportation must apportion the money among all cities that are eligible
 4.8 to receive municipal state-aid street funds under this chapter, as follows:

4.9 (1) 50 percent of the money so that of that amount, each city receives the percentage
 4.10 that its population bears to the total population of all cities that are eligible to receive
 4.11 municipal state-aid street funds; and

4.12 (2) 50 percent of the money so that of that amount, each city receives the percentage
 4.13 that its money needs, as determined by the commissioner under section 162.13, subdivision
 4.14 3, bears to the total money needs of all cities that are eligible to receive municipal state-aid
 4.15 street funds."

4.16 Page 32, after line 28, insert:

4.17 "Sec. 9. Minnesota Statutes 2022, section 168.33, subdivision 7, is amended to read:

4.18 Subd. 7. Filing fees and surcharge; allocations. (a) In addition to all other statutory
 4.19 fees and taxes, ~~a filing fee of:~~

4.20 (1) a \$7 filing fee is imposed on every vehicle registration renewal, excluding pro rate
 4.21 transactions; ~~and~~

4.22 (2) a \$10 surcharge is imposed on the fee for every vehicle registration renewal, excluding
 4.23 pro rate transactions; and

4.24 (3) an \$11 filing fee is imposed on every ~~other~~ type of vehicle transaction other than
 4.25 vehicle registration renewal, including motor carrier fuel licenses under sections 168D.05
 4.26 and 168D.06, and pro rate transactions.

4.27 (b) Notwithstanding paragraph (a):

4.28 (1) a filing fee may not be charged for a document returned for a refund or for a correction
 4.29 of an error made by the Department of Public Safety, a dealer, or a deputy registrar; and

4.30 (2) no filing fee or other fee may be charged for the permanent surrender of a title for a
 4.31 vehicle.

5.1 (c) The filing fee and surcharge must be shown as a separate item on all registration
5.2 renewal notices sent out by the commissioner.

5.3 (d) The statutory fees and taxes, and the filing fees and surcharge imposed under
5.4 paragraph (a) may be paid by credit card or debit card. The deputy registrar may collect a
5.5 surcharge on the statutory fees, taxes, statutory surcharge, and filing fee not greater than
5.6 the cost of processing a credit card or debit card transaction, in accordance with emergency
5.7 rules established by the commissioner of public safety. The surcharge authorized by this
5.8 paragraph must be used to pay the cost of processing credit and debit card transactions.

5.9 (e) The fees and surcharge collected under ~~this subdivision~~ paragraph (a) by the
5.10 department must be allocated as follows:

5.11 (1) ~~of the fees collected under paragraph (a), clause (1),~~ must be deposited as follows:

5.12 (i) ~~\$5.50 must be deposited~~ in the vehicle services operating account; and

5.13 (ii) ~~\$1.50 must be deposited~~ in the driver and vehicle services technology account; and

5.14 (2) ~~of the surcharge collected under paragraph (a), clause (2),~~ must be deposited as
5.15 follows:

5.16 (i) 50 percent in the small cities assistance account under section 162.145; and

5.17 (ii) 50 percent in the larger cities assistance account under section 162.146; and

5.18 (3) ~~the fees collected under paragraph (a), clause (2) (3),~~ must be deposited as follows:

5.19 (i) ~~\$3.50 must be deposited in the general fund;~~ \$1.75 in the small cities assistance
5.20 account under section 162.145; and

5.21 (ii) \$1.75 in the larger cities assistance account under section 162.146;

5.22 (iii) ~~\$6.00 must be deposited~~ in the vehicle services operating account; and

5.23 (iii) (iv) ~~\$1.50 must be deposited~~ in the driver and vehicle services technology account.

5.24 **EFFECTIVE DATE.** This section is effective January 1, 2024, for transactions occurring
5.25 on or after that date.

5.26 Sec. 10. Minnesota Statutes 2022, section 168.54, subdivision 5, is amended to read:

5.27 Subd. 5. **Deposit of proceeds to general fund.** The commissioner ~~shall~~ must collect
5.28 the proceeds of the fee imposed under this section and deposit them ~~in the general fund~~
5.29 ~~pursuant to section 168A.31~~ as follows:

5.30 (1) 50 percent in the small cities assistance account under section 162.145; and

- 6.1 (2) 50 percent in the larger cities assistance account under section 162.146."
- 6.2 Renumber the sections in sequence and correct the internal references
- 6.3 Amend the title accordingly