

Senate Engrossed  
vehicle sale price; VLT

State of Arizona  
Senate  
Fifty-fifth Legislature  
Second Regular Session  
2022

# SENATE BILL 1148

AN ACT

AMENDING SECTIONS 28-5801, 28-5804, 28-5805 AND 28-5806, ARIZONA REVISED  
STATUTES; RELATING TO VEHICLE LICENSE TAX.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 28-5801, Arizona Revised Statutes, is amended to  
3 read:

4 28-5801. Vehicle license tax rate

5 A. At the time of application for and before registration each year  
6 of a vehicle, the registering officer shall collect the vehicle license  
7 tax imposed by article IX, section 11, Constitution of Arizona. On the  
8 taxpayer's vehicle license tax bill, the registering officer shall provide  
9 the taxpayer with the following:

10 1. Information showing the amount of the vehicle license tax that  
11 each category of recipient will receive and the amount that is owed by the  
12 taxpayer.

13 2. The amount of vehicle license tax the taxpayer would pay  
14 pursuant to section 28-5805 if the taxpayer's motor vehicle was powered by  
15 alternative fuel.

16 B. Except as provided in subsections C, D and E of this section:

17 1. During the first twelve months of the life of a vehicle as  
18 determined by its initial registration, the vehicle license tax is based  
19 on each ~~one hundred dollars~~ \$100 in value, the value of the vehicle is  
20 EITHER sixty ~~per cent~~ PERCENT of the ~~manufacturer's base retail~~ ORIGINAL  
21 ACTUAL RETAIL SALES price of the vehicle OR OF THE MANUFACTURER'S BASE  
22 RETAIL PRICE OF THE VEHICLE, WHICHEVER IS LESS, IF THE VEHICLE IS SOLD IN  
23 THIS STATE OR SIXTY PERCENT OF THE MANUFACTURER'S BASE RETAIL PRICE OF THE  
24 VEHICLE IF THE VEHICLE IS NOT SOLD IN THIS STATE and the vehicle license  
25 tax rate for each of the recipients is as follows:

26 (a) The rate for the Arizona highway user revenue fund is ~~one~~  
27 ~~dollar twenty-six cents~~ \$1.26.

28 (b) The rate for the county general fund is ~~sixty-nine cents~~ \$.69.

29 (c) The rate for counties for any purposes related to  
30 transportation, as determined by the board of supervisors, is ~~sixteen~~  
31 ~~cents~~ \$.16.

32 (d) The rate for incorporated cities and towns is ~~sixty-nine cents~~  
33 \$.69.

34 2. During each succeeding ~~twelve month~~ TWELVE-MONTH period, the  
35 vehicle license tax is based on each ~~one hundred dollars~~ \$100 in value,  
36 the value of the vehicle is 16.25 ~~per cent~~ PERCENT less than the value for  
37 the preceding ~~twelve month~~ TWELVE-MONTH period and the vehicle license tax  
38 rate for each of the recipients is as follows:

39 (a) The rate for the Arizona highway user revenue fund is ~~one~~  
40 ~~dollar thirty cents~~ \$1.30.

41 (b) The rate for the county general fund is ~~seventy-one cents~~ \$.71.

42 (c) The rate for counties for the same use as highway user revenue  
43 fund monies is ~~seventeen cents~~ \$.17.

44 (d) The rate for incorporated cities and towns is ~~seventy-one cents~~  
45 \$.71.

1           3. The minimum amount of the vehicle license tax computed under  
2 this section is ~~ten dollars~~ \$10 per year for each vehicle that is subject  
3 to the tax. If the product of all of the rates prescribed in paragraph 1  
4 or 2 of this subsection is less than ~~ten dollars~~ \$10, the vehicle license  
5 tax is ~~ten dollars~~ \$10. The vehicle license tax collected pursuant to  
6 this paragraph shall be distributed to the recipients prescribed in this  
7 subsection based on the percentage of each recipient's rate to the sum of  
8 all of the rates.

9           C. The vehicle license tax is as follows for noncommercial trailers  
10 that are not travel trailers and that are ten thousand pounds or less  
11 gross vehicle weight:

12           1. On initial registration, a ~~one-time~~ ONETIME vehicle license tax  
13 of ~~one hundred five dollars~~ \$105.

14           2. On renewal of registration, a ~~one-time~~ ONETIME vehicle license  
15 tax of ~~seventy dollars~~ \$70.

16           D. The vehicle license tax is as follows for a trailer or  
17 semitrailer that is not a travel trailer and that exceeds ten thousand  
18 pounds gross vehicle weight:

19           1. On initial registration, a ~~one-time~~ ONETIME vehicle license tax  
20 of ~~five hundred fifty-five dollars~~ \$555.

21           2. On renewal of registration or if previously registered in  
22 another state, a ~~one-time~~ ONETIME vehicle license tax of:

23           (a) If the trailer's or semitrailer's model year is less than six  
24 years old, ~~three hundred fifty-five dollars~~ \$355.

25           (b) If the trailer's or semitrailer's model year is at least six  
26 years old, ~~one hundred dollars~~ \$100.

27           E. The vehicle license tax for an all-terrain vehicle or  
28 off-highway vehicle as defined in section 28-1171 is three dollars if the  
29 all-terrain vehicle or off-highway vehicle meets both of the following  
30 criteria:

31           1. Is designed by the manufacturer primarily for travel over  
32 unimproved terrain.

33           2. Has an unladen weight of eighteen hundred pounds or less.

34           F. The vehicle license tax collected pursuant to subsection C, D or  
35 E of this section shall be distributed to the recipients prescribed in  
36 subsection B of this section based on the percentage of each recipient's  
37 rate to the sum of all of the rates.

38           G. THE VEHICLE VALUATION BASED ON THE ORIGINAL ACTUAL RETAIL SALES  
39 PRICE OF THE VEHICLE AS PRESCRIBED IN SUBSECTION B OF THIS SECTION APPLIES  
40 ONLY TO A VEHICLE THAT IS SOLD FROM AND AFTER THE EFFECTIVE DATE OF THIS  
41 AMENDMENT TO THIS SECTION.

42           ~~G.~~ H. For the purposes of ~~subsection~~ SUBSECTIONS C and D of this  
43 section, "travel trailer" has the same meaning prescribed in section  
44 28-2003.

1           Sec. 2. Section 28-5804, Arizona Revised Statutes, is amended to  
2 read:

3           28-5804. Privately owned motor vehicle used as school bus;  
4                                   classification; vehicle license tax

5           A. A separate classification of motor vehicles is established for  
6 purposes of taxation pursuant to article IX, section 11, Constitution of  
7 Arizona, that consists of privately owned motor vehicles that are  
8 exclusively operated as school buses.

9           B. Notwithstanding section 28-5801, the registering officer shall  
10 collect at the time of application for and before registration of the  
11 motor vehicle classified under this section an annual vehicle license tax  
12 of ~~four dollars~~ \$4 for each ~~one hundred dollars~~ \$100 in value. During the  
13 first twelve months of the life of the vehicle as determined by its  
14 initial registration, the value is EITHER one ~~per cent~~ PERCENT of the  
15 ~~manufacturer's base retail~~ ORIGINAL ACTUAL RETAIL SALES price of the  
16 vehicle OR OF THE MANUFACTURER'S BASE RETAIL PRICE OF THE VEHICLE,  
17 WHICHEVER IS LESS, IF THE VEHICLE IS SOLD IN THIS STATE OR ONE PERCENT OF  
18 THE MANUFACTURER'S BASE RETAIL PRICE OF THE VEHICLE IF THE VEHICLE IS NOT  
19 SOLD IN THIS STATE. During each succeeding ~~twelve month~~ TWELVE-MONTH  
20 period the value of the vehicle is fifteen ~~per cent~~ PERCENT less than the  
21 value of the preceding ~~twelve month~~ TWELVE-MONTH period.

22           C. The minimum amount of the license tax computed under this  
23 section is ~~five dollars~~ \$5 per year for each vehicle subject to the tax.

24           D. Except as specifically provided in this section, the vehicle  
25 license tax on a vehicle classified under this section is governed by this  
26 article.

27           E. If a school bus is temporarily operated for purposes other than  
28 those prescribed by section 28-101, the registering officer shall:

29           1. Assess and collect monthly a vehicle license tax equal to  
30 one-tenth of the annual vehicle license tax provided in section 28-5801  
31 for each calendar month that the motor vehicle is so operated in this  
32 state.

33           2. Not apportion the vehicle license tax for any fraction of a  
34 calendar month.

35           F. THE VEHICLE VALUATION BASED ON THE ORIGINAL ACTUAL RETAIL SALES  
36 PRICE OF THE VEHICLE AS PRESCRIBED IN SUBSECTION B OF THIS SECTION APPLIES  
37 ONLY TO A VEHICLE THAT IS SOLD FROM AND AFTER THE EFFECTIVE DATE OF THIS  
38 AMENDMENT TO THIS SECTION.

39           Sec. 3. Section 28-5805, Arizona Revised Statutes, is amended to  
40 read:

41           28-5805. Motor vehicle powered by alternative fuel;  
42                                   classification; vehicle license tax; definitions

43           A. A separate classification of motor vehicles is established for  
44 purposes of taxation pursuant to article IX, section 11, Constitution of  
45 Arizona, that consists of motor vehicles that are powered by alternative

1 fuel and for which the department issues an alternative fuel vehicle  
2 special plate or sticker pursuant to section 28-2416.

3 B. Notwithstanding section 28-5801, the registering officer shall  
4 collect at the time of application for and before registration of the  
5 motor vehicle that is classified under this section an annual license tax  
6 of \$4 for each \$100 in value. The motor vehicle value is determined as  
7 follows:

8 1. For a motor vehicle that is registered in this state before  
9 January 1, 2022, the value of the motor vehicle is EITHER one percent of  
10 the ~~manufacturer's base retail~~ ORIGINAL ACTUAL RETAIL SALES price of the  
11 motor vehicle OR OF THE MANUFACTURER'S BASE RETAIL PRICE OF THE VEHICLE,  
12 WHICHEVER IS LESS, IF THE VEHICLE IS SOLD IN THIS STATE OR ONE PERCENT OF  
13 THE MANUFACTURER'S BASE RETAIL PRICE OF THE VEHICLE IF THE VEHICLE IS NOT  
14 SOLD IN THIS STATE. After the first twelve months of the life of the  
15 motor vehicle as determined by its initial registration, the value of the  
16 motor vehicle is fifteen percent less for each twelve-month period than  
17 the value for the preceding twelve-month period.

18 2. For a motor vehicle that is initially registered in this state  
19 during a period beginning January 1, 2022 and ending December 31, 2022,  
20 during the first twelve months of the life of the motor vehicle as  
21 determined by its initial registration, the value of the motor vehicle is  
22 EITHER twenty percent of the ~~manufacturer's base retail~~ ORIGINAL ACTUAL  
23 RETAIL SALES price of the motor vehicle OR OF THE MANUFACTURER'S BASE  
24 RETAIL PRICE OF THE VEHICLE, WHICHEVER IS LESS, IF THE VEHICLE IS SOLD IN  
25 THIS STATE OR TWENTY PERCENT OF THE MANUFACTURER'S BASE RETAIL PRICE OF  
26 THE VEHICLE IF THE VEHICLE IS NOT SOLD IN THIS STATE. During each  
27 succeeding twelve-month period, the value of the motor vehicle is fifteen  
28 percent less than the value for the preceding twelve-month period.

29 C. The registering officer shall collect the vehicle license tax on  
30 a motor vehicle that is powered by alternative fuel and that is purchased  
31 from and after December 31, 2022 in accordance with section 28-5801.

32 D. The minimum amount of the license tax computed under this  
33 section is \$5 per year for each motor vehicle subject to the tax.

34 E. Except as specifically provided in this section, the vehicle  
35 license tax on a motor vehicle classified under this section is governed  
36 by this article.

37 F. THE VEHICLE VALUATION BASED ON THE ORIGINAL ACTUAL RETAIL SALES  
38 PRICE OF THE VEHICLE AS PRESCRIBED BY SUBSECTION B OF THIS SECTION APPLIES  
39 ONLY TO A VEHICLE THAT IS SOLD FROM AND AFTER THE EFFECTIVE DATE OF THIS  
40 AMENDMENT TO THIS SECTION.

41 ~~F.~~ G. For the purposes of this section:

42 1. "Alternative fuel" has the same meaning prescribed in section  
43 1-215.

1           2. "Motor vehicle" means a vehicle that meets the safety standards  
2 of the national highway traffic safety administration and includes:

3           (a) Neighborhood electric vehicles that meet the standards  
4 prescribed in 49 Code of Federal Regulations section 571.500, except that,  
5 if a vehicle is designed to be operated at speeds of twenty miles per hour  
6 or less, the vehicle is not required to have a seventeen digit vehicle  
7 identification number.

8           (b) Neighborhood electric shuttles.

9           Sec. 4. Section 28-5806, Arizona Revised Statutes, is amended to  
10 read:

11           28-5806. Privately owned motor vehicle used for ambulance or  
12 firefighting services; classification; vehicle  
13 license tax; definition

14           A. A separate classification of motor vehicles is established for  
15 purposes of taxation pursuant to article IX, section 11, Constitution of  
16 Arizona, that consists of privately owned motor vehicles that are used  
17 solely for the purpose of providing ambulance or ~~fire-fighting~~  
18 **FIREFIGHTING** services.

19           B. Notwithstanding section 28-5801, at the time of application for  
20 and before registration of the motor vehicle classified pursuant to  
21 subsection A of this section the registering officer shall collect an  
22 annual license tax at the rate of ~~four dollars~~ \$4 for each ~~one hundred~~  
23 ~~dollars~~ \$100 in value. During the first twelve months of the life of the  
24 vehicle as determined by its initial registration, the value is **EITHER** one  
25 ~~per cent~~ **PERCENT** of the ~~manufacturer's base retail~~ **ORIGINAL ACTUAL RETAIL**  
26 **SALES** price of the vehicle **OR OF THE MANUFACTURER'S BASE RETAIL PRICE OF**  
27 **THE VEHICLE, WHICHEVER IS LESS, IF THE VEHICLE IS SOLD IN THIS STATE OR**  
28 **ONE PERCENT OF THE MANUFACTURER'S BASE RETAIL PRICE OF THE VEHICLE IF THE**  
29 **VEHICLE IS NOT SOLD IN THIS STATE.** During each succeeding ~~twelve month~~  
30 **TWELVE-MONTH** period the value of the vehicle is fifteen ~~per cent~~ **PERCENT**  
31 less than the value of the preceding ~~twelve month~~ **TWELVE-MONTH** period.

32           C. The minimum amount of the license tax computed under this  
33 section is ~~five dollars~~ \$5 per year for each vehicle subject to the tax.

34           D. Except as specifically provided in this section, the vehicle  
35 license tax on vehicles classified pursuant to subsection A of this  
36 section is governed by this article.

37           E. If a vehicle is temporarily operated for purposes other than  
38 providing ambulance or ~~fire-fighting~~ **FIREFIGHTING** services, the  
39 registering officer shall:

40           1. Assess and collect monthly a vehicle license tax equal to  
41 one-tenth of the annual vehicle license tax provided for by section  
42 28-5801 for each calendar month that the motor vehicle is so operated in  
43 this state.

44           2. Not apportion the vehicle license tax for any fraction of a  
45 calendar month.

1 F. THE VEHICLE VALUATION BASED ON THE ORIGINAL ACTUAL RETAIL SALES  
2 PRICE OF THE VEHICLE AS PRESCRIBED BY SUBSECTION B OF THIS SECTION APPLIES  
3 ONLY TO A VEHICLE THAT IS SOLD FROM AND AFTER THE EFFECTIVE DATE OF THIS  
4 AMENDMENT TO THIS SECTION.

5 ~~F.~~ G. For THE purposes of this section, "ambulance" means a  
6 vehicle for which a certificate of registration has been issued pursuant  
7 to title 36, chapter 21.1.