

## **Auto Excise Tax Bills**

Under MGL Chapter 60A all Massachusetts residents who own and register a motor vehicle must annually pay a motor vehicle excise. Also, under MGL Chapter 59, Section 2, it is important to note that every motor vehicle, whether registered or not, is subject to taxation, either as excise or personal property for the privilege of road use, whether actual or future. The excise is levied by the city or town where the vehicle is principally garaged and the revenues become part of the local receipts.

**Billing:** Excise bills are prepared by the Registry of Motor Vehicles according to the information on your registration. The billing is then sent to the Assessor's who commit the bills to the Tax Collector's Office for distribution and collection.

**Bill Computation:** Your excise tax is \$ 25.00 per the thousand of the valuation of your motor vehicle. Automobile valuations are derived from the figures published in the National Automobile Dealers Association Official Used Card Guide (NADA), to which the Registry has electronic access. Figures are the manufactures' list prices for vehicles in their year of manufacture. **Present market value, price paid and condition are not considered for excise tax purposes.** The excise tax law (MGL c.60A, s.1) establishes its own formula for valuation for state tax purposes whereby only the manufacturer's list price and the age of the motor vehicle are considered. The formula is as follows:

In the year preceding the designated year of manufacture (A brand new car released before model year)	50%
In the designated year of manufacture	90%
In the second year	60%
In the third year	40%
In the fourth year	25%
In the fifth and succeeding years	10%

Every motor vehicle owner must pay an excise tax based on valuation of at least 10% of the manufacture's list price. Note: no excise tax bill shall be less than \$5.00.

**Proration:** Excises are prorated on a monthly basis. If a motor vehicle is registered after January 1<sup>st</sup> of any calendar year, no tax will be imposed for those months, if any which have fully elapsed before the vehicle is registered. However, if a vehicle is registered for any part of a month, the excise will be due for the entire month.

***Payment.*** Payment of the motor vehicle excise is due 30 days from the date the excise bill is issued (not mailed, as popularly believed). According to Chap. 60, Sec. 2 of the MGL, Failure to receive a bill shall not affect the validity of the excise. *A person who does not receive a bill is still liable for the excise plus an interest charges accrued.* Therefore, it is important to keep the Registry & Post Office informed of your current name and address so that excise bills may be delivered promptly. *It is the responsibility of the owner to contact the Assessors @ 508-476-4000 Ext 353 if he/she has not received a bill.*

Partial payments are not accepted on excise tax bills. Taxpayers should be prepared to pay the full amount due. There are special considerations for financial hardship.

*For further information on excise tax bills, please visit our office or the Assessor's Office to pick up a booklet on Motor Vehicle Excise published by the Secretary of State William Francis Galvin.*