



Division of Motor Vehicles

Specific Ownership Tax

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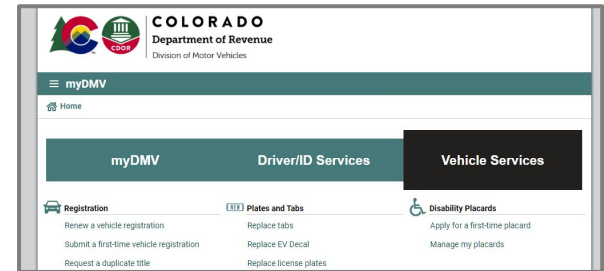
Brandon Huseman, Policy Advisor

Agenda



COLORADO
Department of Revenue
Division of Motor Vehicles

- Specific Ownership Tax
- SOT Calculation
- Registration Cost Example
- Exemptions
- Revenue
- Conclusion / Questions



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Specific Ownership Tax



- Provided by 42-3-106, C.R.S.
 - Annual, graduated tax based on the value of personal property
- Passenger vehicle SOT is collected by Counties
 - Apportioned among political subdivisions based on proportion of property taxes levied in prior year
 - Counties/political subdivisions determine use of funds
- DOR/County Clerk retain \$0.50 of each instance of SOT
- Only one part of the overall cost to operate a vehicle



SOT Calculation



- Taxable value
 - Percentage of purchase price or MSRP
 - Varies based on vehicle class/category
- Rate table varies based on vehicle class
 - Tax Class B: trucks, truck tractors, trailers primarily used for transporting property
 - Tax Class C: most passenger vehicles
 - Tax Class D: trailers
 - Tax Class F: Special Mobile Machinery (SMM)

Tax Class C

Vehicle Model Year	Tax Assessment
First Year	2.10% of taxable value
Second Year	1.50% of taxable value
Third Year	1.20% of taxable value
Fourth Year	0.90% of taxable value
Fifth-Ninth Years	0.45% of taxable value
Tenth year and later	\$3.00

$$\begin{array}{l} \text{Taxable Value} \\ (0.85 \times \text{MSRP}) \end{array} \times \begin{array}{l} \text{Age} \\ (.021) \end{array} = \begin{array}{l} \text{SOT} \\ \text{\$}\text{\$}\text{\$} \end{array}$$

Registration Fees and Surcharges



- Age of Vehicle Fee
- Road / Bridge Safety Surcharges
- Clerk Hire Fee
- County Road & Bridge Fee
- Emergency Medical Services
- Emissions Fees
- Insurance Fee
- Motorist Insurance Database Fee
- Peace Officer Training Fee
- County Base Registration Fee
- Materials fees (tabs or plates)
- Special Plate Fees
- Personalized Plate Fees
- Late Fees
 - Prorated taxes/fees from HB22-1254

Registration Cost Example



- **2023 Toyota Rav4 Hybrid**

- MSRP = \$33,855
- Weight = 3,709 lbs
- Arapahoe County
- Other fees: \$71

Year of Service	SOT Cost	Total Registration Cost
First Year	\$604.30	\$675.47
Second Year	\$431.64	\$502.81
Third Year	\$345.31	\$416.48
Fourth Year	\$258.98	\$357.15
Fifth-Ninth Years	\$129.49	\$198.66
Tenth year +	\$3.00	\$72.17

89%



65%

4%

Exceptions & Exemptions



- 2% Rental program [C.R.S. 42-3-107(11), (12), (16)]
 - Applies to vehicle/SMM rental companies
 - 2% of SOT per rental
- Partial SOT exemptions [C.R.S. 42-3-107(1)(a)(IV)]
 - HB23-1272 Tax Policy that Advances Decarbonization
 - Applies to Class A trucks that are electric/plug-in hybrid
 - Taxable value: ~~100% of purchase price~~ → 50% of purchase price
- Exemptions for farm vehicles, certain veterans, active duty mil. stationed in CO



SOT Revenue



Year	SOT Collected by County	State Portion of 0.50	Prior SOT Collected by County	State Portion of 0.50 of Prior SOT	Total SOT
2023	\$701,734,823	\$2,984,276	\$66,815,256	\$452,518	\$771,986,873
2022	\$673,428,826	\$2,875,138	\$68,769,109	\$480,483	\$745,553,556
2021					\$758,561,403
2020					\$703,466,797
2019					\$697,168,865

Conclusion



- Difficult to correlate SOT/registration cost with delinquency
 - Confounding factors/limitations of DRIVES
 - Working on additional reports/analysis in the future
- HB22-1254 Colorado Registration Fairness Act
 - Became effective Jan 1, 2023
- Law enforcement have greater visibility over citations/vehicle types
- County partners can best speak to impacts of SOT funding

Questions?

Please Visit the DMV Website:

<https://dmv.colorado.gov/>

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