

What is motor vehicle excise tax?

It is an annual tax for the privilege of registration. Anyone who registers a vehicle with the Massachusetts Registry of Motor Vehicles (RMV) will be billed based on the information supplied to the Registry of Motor Vehicles on the registrant's application. Chapter 60A of Mass. General laws imposes an excise on the privilege of registering a motor vehicle or a trailer on the commonwealth of Massachusetts. The excise is levied annually in lieu of a tangible personal property tax. Non-registered vehicles, however, remain subject to the taxation as personal property. The excise is levied by the city or town where the vehicle is principally garaged and the revenues become part of the local community treasury. The Registry of Motor Vehicles prepares data for excise bills according to the information on the motor vehicle registration and sends it to city or town assessors. Cities and towns then prepare bills based on excise data sent by the Registry in conformity with Registry requirements.

Who must pay?

Anyone with Massachusetts' license plates.

What is the rate?

The rate is \$25.00 on the thousand. This is the standard rate for the entire Commonwealth.

How are vehicles valued?

Based on valuation rates set by the state, vehicles are valued as follows:

- 50% of mfr.'s list price in the year preceding the designated year of manufacture (brand new car released before model year)
- 90% of mfr.'s list price (1st year)
- 60% of mfr.'s list price (2nd year)
- 40% of mfr.'s list price (3rd year)
- 25% of mfr.'s list price (4th year)
- 10% of mfr.'s list price (5th year)

How is the tax determined?

Once the value of the vehicle is determined, an excise at the rate of \$25.00 per thousand is assessed. Excise taxes are assessed annually on a calendar year basis by the assessors of the city or town in which the vehicle is garaged as of January 1st. If the motor vehicle is registered after January 31, it is taxed for the period extending from the first day of the month in which it is registered to the end of the calendar year. For example, if a vehicle is registered on April 30, it will be taxable as of April 1, for the nine months of the year (April through December) and the excise due therefore, will be 9/12 of the full excise. In no event shall the excise be assessed for less than \$5.00 nor shall an abatement or refund under Section 1 of Chapter 60A reduce an excise to less than \$5.00.

Who qualifies for an abatement?

You may qualify for an abatement when:

- a vehicle is sold, traded, or junked;
- a vehicle is totaled;
- a vehicle is stolen;
- a registrant moves to another city or town within Massachusetts prior to January 1st of the taxing year;
- a registrant moves out of state, cancels his/her MA registration, and registers in another state prior to

December 1st.

Can I get an abatement?

If an owner of a motor vehicle thinks that he/she is entitled to an adjustment of his/her excise bill, it is strongly recommended that he/she pay the bill in full and contact the Assessing Department for an application for abatement. You can print out a [Motor Vehicle Abatement Form](#) from this site. Follow the directions on the form and send it to the Assessing Department. NOTE: on unpaid excise tax bills, an owner risks incurring late fees and penalties if an abatement is not granted. The Assessing Department must receive applications for abatement by December 31 of the year following the year of the tax. If the bill is mailed after December 1 of the year following the tax year, application must be made on or before the 30th day from the date of issue or the date of mailing, whichever is later. Abatements can be handled through the mail. However, the bill should be paid as assessed and a refund will follow if the abatement is granted.

What information do I need to file with an abatement application?

You will need the following items:

- Sold, Traded, or Junked: Bill of sale AND either a plate return receipt or new registration if plates were transferred.
- Stolen, or Total Loss: Insurance Company Settlement letter and C-19 form (affidavit of Lost/Stolen plate form Registry of Motor Vehicles).
- Moved to another city or town in MA prior to January 1st of the taxing year: Proof that vehicle was garaged and insured in another MA city or town, i.e. copy of the Coverage Selections Page from insurance company.
- Moved to another state or country: Dated copy of original registration from the new state or country and either a plate return receipt or a C-19 form from the Registry of Motor Vehicles.

How are abatements figured?

Abatements are pro-rated monthly. The abatement amount is calculated from the registration cancellation date to December 31st of the tax year. For example, if the tax bill was issued for the whole year and the plate was cancelled in the month of February, you would be due an abatement for 10 months or 10/12ths of the original tax. The minimum abatement amount is \$5.00.

Who qualifies for an exemption?

Chapter 6GA, Section 1 of the Massachusetts General Laws provides excise tax exemptions for vehicles owned by certain disabled individuals and veterans, ex-prisoners of war and their surviving spouses and certain charitable organizations. For ex-prisoners of war and their unmarried surviving spouses, the law allowing the exemption for the motor vehicle excise must be accepted by the city or town to be applicable. Those listed below qualify for an exemption.

- Blind:
 1. permanent impairment of vision in both eyes
 2. must own and register for their own personal use
 3. must submit either a certificate from the Division of the Blind or a physician's letter
- Handicapped:

1. must suffer either the loss of or the permanent loss of use of both arms or both legs
2. a letter from physician must be submitted
3. if exemption is sought due to loss of use of limbs, the letter must state that it is a permanent loss
4. vehicle must be owned and registered by handicapped person

Note: A handicapped person who owns a vehicle jointly, satisfies the ownership requirement for a full exemption. However, only one vehicle will be exempted per year.

- Veterans:
 1. must suffer either the loss of or the permanent loss of use of one foot, one hand, one eye, or permanent impairment of vision in both eyes
 2. a certificate from the Veteran's Administration must be furnished
 3. the vehicle must be owned and registered in the name of the veteran
- Prisoner of War:
 1. Any U.S. Military former Prisoner of War who registers a vehicle with a P.O.W. license plate
- Non-Domiciliary Servicemen:
 1. servicemen assigned to Massachusetts by the Armed Forces
 2. vehicle must be registered in his/her name
 3. must submit a letter from either a commanding or personnel officer stating that he/she is a non-domiciliary assigned to Massachusetts
 4. must be assigned here at the time of registration

When must I file for an abatement/exemption?

You must file by December 31st of the following year. If your tax bill is issued after December 1st of the following year, you have thirty days from the date of issue of your bill to file an application.

Where must I file for an abatement?

You can file either in person at the Assessor's Office or through the mail.

When is payment due?

Payment of the motor vehicle excise is due within 30 days from the date the excise bill is issued. A person who does not receive a bill is still liable for the excise plus any interest charges accrued. Therefore, it is important to keep the Registry, the community you reside in, and the post office informed of a current name and address so that excise bills can be delivered promptly. All owners of motor vehicles must pay an excise tax. Therefore, it is the responsibility of the owner to contact the Treasurer's Office if you have not received a bill.

What happens if my payment is late?

If an excise is not paid within 30 days from the issue date, the local tax collector sends a demand. The charge for the demand is \$5. Interest accrues on the overdue bill from the day after the due date until the date of payment at an annual rate of 12 percent. If the demand is not answered within 14 days, the collector may issue a warrant to

the deputy tax collector or an appointed agent. The warrant notice sent by the deputy collector (or the appointed agent) to the taxpayer costs \$14. If this notice is not answered than a final warrant, a service warrant, will be delivered or exhibited to the taxpayer at his/her residence or place of business at a fee of \$14. All bills should clearly state the interest and penalty charges.

How does non-payment of motor vehicle excise affect license and registration?

If the service warrant demanding final payment is ignored, the collector may then notify the Registry of Motor Vehicles of such non-payment, including all accrued interest and penalty fees. The Registry may then mark the individual's registration preventing the renewal of the motor vehicle registration and the owner's driver's license until such time as the Registry is notified that full and final payment has been made to the city or town. This payment shall include a \$20 release fee as final settlement of the delinquent excise. Once the bill had been paid, the municipality will give the motorist a receipt so he or she can return to the Registry to re-register his/her vehicle. Although the local tax collectors do notify the Registry that the matter is resolved, it is strongly advised to retain the certified receipt of payment for presentation to the Registry of Motor Vehicles. Cities and towns relay computerized notification that excise bills have been paid only periodically to the Registry. Local tax collectors, in effect, have up to six years to notify the Registry of non-payment. Under the excise tax law, tax collectors have six years from the issue date of a bill to notify the Registry of non-payment by a driver (M.G.L. c.60A, s2A), unless the tax record shows a history of non-payment. However, under the Registry's own policy, this notification time has been reduced to just two years. If the record does show a history of delinquency, the tax collectors can electronically mark the driver's record and institute proceedings to collect for as many years back (beyond six years, in other words) as necessary and notify the Registry. The Registry, in turn, reviews each notification beyond two years individually. If a taxpayer has had a good history of payment and suddenly receives a bill dating back more than six years, the assessors will assign a tax collector to collect the bill; the tax collector, in turn, will attempt to collect and assess late fees and penalties, as is required by law, if applicable. However, the collector can no longer mark the driver's record for non-payment since the Registry only allows two years for notification from the issue date of the bill. Thus, the taxpayer's ability to renew the license, in this instance, is not hampered; but the bill must still be resolved with the local tax collector.

What if I've moved out of Massachusetts?

If the owner of a vehicle moves out of Massachusetts and registers his/her vehicle in another state:

Notify the Assessing Department, provide them with a copy of the following documentation: as of January 1 of the tax year the Registration Form for the New State or County or Plate Return Receipt. Please note: that the Registry strongly encourages a person who has moved to another state to cancel the registration in Massachusetts in order to avoid problems with an excise tax abatement application or future registration in the new state.

What if I sold my car?

If an excise bill is received for a vehicle or trailer which has been sold, the seller must return the plate(s) to the Registry of Motor Vehicles,

get a return plate receipt, and file an application for abatement together with the return plate receipt or new registration form and the bill of sale with the Assessing Department. You can print out a Motor Vehicle Abatement application from this site. The bill will be adjusted to reflect the portion of the year when the vehicle was owned by the recipient of the bill. NOTE: It is important to remember that the bill for a vehicle you no longer own should not be ignored.

What if I traded my car?

If an excise bill is received for a vehicle, which was traded, and which was not owned in the calendar year stated on the bill, it is recommended to pay the bill, and file an application for abatement with the Assessing Department. The application must accompany a copy of the New Registration Form for the new vehicle that indicates the date of transfer. You can print out a Motor Vehicle Abatement application from this site. If an excise bill is received for a vehicle which was traded but which was owned for a portion of the calendar year stated on the bill, it is necessary to: pay the bill, and provide a copy of the registration for the new vehicle which indicates the date of transfer together with an application for abatement to the Assessing Department. The Assessor can then adjust the bill to reflect the ownership for only part of the year, and grant the proper abatement. The bill is prorated back to the last day of the month in which the vehicle was owned and the excise bill on the new vehicle will be prorated as of the date the new vehicle was registered.

What if my car is stolen?

If the vehicle is stolen and not recovered within 30 days, the owner will be entitled to an abatement if he/she reports the theft of the vehicle to the local police within 48 hours of discovery of the theft. After 30 days, the owner must surrender the certificate of registration and obtain a certificate from the Registry of Motor Vehicles indicating that he/she has done so, notify the Assessing Department provide them with a copy of the following documentation: Police Report and C-19 form (Affidavit of Lost or Stolen plate) - this certificate and the local police report of the theft should be presented to the Assessing Department with an application for abatement. You can print out a Motor Vehicle Abatement application from this site. The assessor will adjust the bill and grant an abatement for the remaining portion of the year. If the motor vehicle or trailer is subsequently recovered and reregistered, another excise bill will be issued for the remainder of the year. Falsely reporting the theft of a motor vehicle or trailer will result in severe penalties and a person may be charged up to three times the excise due on the vehicle for an entire year.
