



OLR RESEARCH REPORT

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ASSESSMENT LIMIT ON ANTIQUE VEHICLES

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You asked (1) how the statutes define an “antique vehicle” for purposes of the property tax assessment limit on such vehicles and (2) for a legislative history of the assessment limit law.

SUMMARY

To be subject to the \$500 property tax assessment limit, the law requires a vehicle to (1) be at least 20 years old, (2) be of historical interest, and (3) conform to the manufacturer’s original specifications.

The assessment limit law was first enacted in 1973. It originally applied only to automobiles that (1) were at least 25 years old, (2) were not used for general transportation, and (3) had special Department of Motor Vehicle (DMV) license plates. Later changes in both the property tax assessment limit law and the law defining the types of vehicles that qualify for the special DMV plates (1) reduced the minimum age from 25 to 20 years old, (2) extended the assessment limit to antique vehicles other than cars, and (3) allowed vehicles used for general transportation to qualify. The last change was made in 2009.

DEFINITION OF ANTIQUE VEHICLE FOR PROPERTY TAX PURPOSES

By law, the value of an “antique, rare, or special interest motor vehicle” for property tax purposes is limited to \$500 (CGS § 12-71 (b)). To qualify, a vehicle must meet the statutory criteria required for an

antique, rare, or special interest vehicle license plate issued by the DMV. Those criteria are that the vehicle (1) be at least 20 years old, (2) be preserved because of historical interest, and (3) not be modified from the original manufacturer's specifications (CGS § 14-1 (2)).

A vehicle does not need the special plate to qualify for the \$500 limit. But, an assessor can require the owner of an antique vehicle that does not have a special plate to provide reasonable documentation that it meets the statutory criteria for an antique vehicle.

LEGISLATIVE HISTORY OF THE ASSESSMENT LIMIT

Original Enactment

The law setting the \$500 property tax assessment limit on antique vehicles was enacted in 1973 (PA 73-531). The original law allowed the special tax treatment only for vehicles for which DMV had issued antique vehicle license plates. In 1973, DMV could issue such plates only to automobiles that were (1) manufactured 25 or more years before; (2) restored and maintained for exhibitions, club activities, parades, and other public functions; and (3) not used for general transportation.

The legislative history of the original bill (sHB 9133) shows no testimony on the bill in the Finance, Revenue and Bonding Committee public hearing. The only discussion of the assessment limit occurred in the House floor debate. During that debate, proponents mentioned that a similar bill had passed in the previous year (1972) but the governor vetoed it. They also stated that they had increased the cap to \$500 from the \$100 cap they originally proposed.

The proponents made the following arguments for the bill:

1. An antique automobile is the only collector's item subject to the local property tax. Stamps, art, and other collectibles, which can be very valuable, are not subject to the tax.
2. There are no standards for assessing the value of antique automobiles.
3. The people who restore antique cars are primarily middle class, not rich.
4. The requirement that the cars be registered antiques and not used for general transportation provided a fair check and balance against abuse.

Opponents argued that the state's economic situation did not warrant preferential tax treatment for antique cars and that the assessment limit set a bad precedent. The bill passed the House by a vote of 124-12 (*House Transcript*, May 14, 1973). It passed the Senate on the consent calendar (*Senate Transcript*, May 16, 1973).

Subsequent Changes

In **1979**, the legislature expanded the types of vehicles eligible for the special antique vehicle plates and thus for the \$500 assessment limit to (1) motor vehicles other than automobiles and (2) vehicles used for general transportation and not just for shows, clubs, and parades (PA 79-25).

In **2005**, the legislature reduced the age of antique vehicles eligible for the special plate from 25 to 20 years, thereby also extending the assessment limit to the newer vehicles (PA 05-218 §§ 42-44). In the Transportation Committee public hearing on the issue, Senator Fasano, a proponent of the change, stated that the National Auto Dealers Association (NADA) book values cars as “classic” after 20 years, thus increasing their book value. Because assessors use the NADA book to value cars for property tax purposes, owners were subject to increased property taxes until the vehicle reached the 25-year-old level and fell under the \$500 statutory limit (*Transportation Committee Public Hearing*, February 28, 2005).

In **2008**, the legislature extended the assessment limit to unregistered antique vehicles that meet the statutory definition (PA 08-150, § 56).

In **2009**, the legislature allowed assessors to require owners of unregistered antique vehicles to provide reasonable documentation that the vehicle is an antique, rare, or special interest vehicle (PA 09-187 § 29).

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