

From: Clinton Tax Collector Melanie Yanus

Date: April 26, 2019

Testimony **NOT IN FAVOR** of SB 1139

**SB 1139 An Act Eliminating Property Tax On Certain Motor Vehicles and Adjusting the Uniform Property Assessment Rate**

**The first step is to determine the millrate with and without motor vehicle assessments and based on 70% assessment then determine the millrate with and without motor vehicle assessments based 100% assessment**

**Below is the actual budgeted Grand Levy which will remain constant throughout this process. The Grand List is based on the actual grand list as of July 1, 2018 for Fiscal Year 2018-2019 for the collection of taxes.**

**#1**

**Grand List based on 70% of assessed value of real, personal property and regular motor vehicle list**

Grand Levy-	Revenue to be raised by local taxes	46,257,419
Grand List-	Assessment of Real, Personal Property and Regular Motor Vehicles	1,532,594,324
Millrate-	The tax per dollar of assessed value of property	_____

Grand Levy divided by Grand List = Millrate

$$46,257,419 \div 1,532,594,324 = 30.18 \text{ Mills}$$

**# 2**

**Grand List based on 70% of assessed value of real and personal property**

Removing the motor vehicle assessment from the Grand List of - 98,738,402  
1,532,594,324 minus 98,738,402 = 1,433,855,922

$$46,257,419 \div 1,433,855,922 = 32.26 \text{ Mills}$$

**There would have to be a 2.08 mill increase**

**There would be a loss of the budgeted motor vehicle supplemental tax revenue of \$225,000**

**Plus loss of interest**

**Plus loss of back tax collection of motor vehicle taxes**

**# 3**

**Grand List based on 100% of assessed value of real, personal property and regular motor vehicle list**

Grand Levy                      46,257,419  
Grand List                      2,189,420,463

$$46,257,419 \div 2,189,420,463 = 0.021127 \text{ or } \mathbf{21.13 \text{ Mills}}$$

**# 4**

**Grand List based on 100% of assessed value of real and personal property**

Removing the motor vehicle assessment from the Grand List of    -141,054,860  
2,189,420,463 - 141,054,860 = 2,048,365,603

$$46,257,419 \div 2,048,365,603 = .02256 \text{ or } \mathbf{22.56 \text{ Mills}}$$

**Taxpayer #1 owns real estate and one vehicle**

**70% real estate assessment = 141,600**

**70% motor vehicle assessment = 4100**

**100% real estate assessment = 202,286**

**100% motor vehicle assessment = 5857**

<b>Millrate with Grand List inclusive of real, pp and motor vehicle</b>	<b>30.18</b>	<b>70%</b>
<b>Millrate with Grad List inclusive of real and pp. No motor vehicle</b>	<b>32.26</b>	<b>70%</b>

141,600 x .03018 = 4,273.48  
4100 x .03018 = 123.73  
Total Tax = 4,397.21

$$141,600 \times .03226 = 4,568.01$$

$$\mathbf{4,568.01 - 4,397.21 = 170.80}$$

**Taxpayer will have an increase of \$ 170.80 with the loss of the motor vehicle assessment**

<b>Millrate with Grand List inclusive of real, pp and motor</b>	<b>21.13</b>	<b>100%</b>
<b>Millrate with Grand List inclusive of real and pp. No motor vehicle</b>	<b>22.56</b>	<b>100%</b>

$202,286 \times .02113 = 4,274.30$   
 $5,857 \times .02113 = 123.75$   
 Total Tax = 4,398.05

$202,286 \times .02256 = 4,563.57$

**4,563.57 - 4,398.05 = 165.52**

**Taxpayer will have an increase of \$ 165.52 with the loss of the motor vehicle assessment**

**Elimination of the vehicle tax will cost this taxpayer more**

**Changing from 70% to 100% assessed value does create any significant change.  
Leave the 70% assessment.**

**Taxpayer # 2 owns real estate and three newer vehicles**

**70% real estate assessment = 490,300**  
**70% motor vehicle assessment = 59,180 (3 vehicles)**

**100% real estate assessment = 700,429**  
**100% motor vehicle assessment = 84,543 (3 vehicles)**

<b>Millrate with Grand List inclusive of real, pp and motor vehicle</b>	<b>30.18</b>	<b>70%</b>
<b>Millrate with Grad List inclusive of real and pp. No motor vehicle</b>	<b>32.26</b>	<b>70%</b>

$490,300 \times .03018 = 14,795.25$   
 $59,180 \times .03018 = 1,786.05$

Total Tax = 16,581.30

$490,300 \times .03226 = 15,817.07$

**16,581.30 minus 15,817.07 = 763.23**

**Taxpayer # 2 will have a decrease of 763.23 in tax if the motor vehicle assessment is eliminated.  
Taxpayer has 3 newer vehicles.**

<b>Millrate with Grand List inclusive of real, pp and motor</b>	<b>21.13</b>	<b>100%</b>
<b>Millrate with Grand List inclusive of real and pp. No motor vehicle</b>	<b>22.56</b>	<b>100%</b>

$700,429 \times .02113 = 14,800.06$

$84,543 \times .02113 = 1786.39$

Total Tax = 16,586.45

$700,429 \times .02256 = 15,801.67$

$16,586.45 \text{ minus } 15,801.67 = 784.78$

**Taxpayer # 2 will have a decrease of 784.787 in tax if the motor vehicle assessment is eliminated.**

Conclusion: Those who have higher vehicle assessments will be getting a tax break. Those with lower real estate and motor vehicle assessments will pay more.