

Personal Motor Vehicle Property Tax Assessments and Rates

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Issue

Provide an overview of the role of the state and municipalities in determining the assessed values and tax rates for personal (non-commercial) motor vehicles.

Summary

All municipalities must use the same method, which is prescribed in statute, to determine the value of motor vehicles for property tax purposes. Beginning with the 2024 assessment year, a new law changes this method from one selected by the Office of Policy and Management (OPM) to the Manufacturer's Suggested Retail Price (MSRP), reduced according to the age of the vehicle. By law, motor vehicles are assessed at (i.e., taxed on) 70% of this value. Municipalities and special taxing districts set their own tax rates but cannot set them higher than a cap (currently 32.46 mills), which is set in statute.

Assessments

By law, a motor vehicle's assessed value is 70% of the value of a vehicle, determined by the municipal assessor using a statutorily specified method ([CGS § 12-62a](#)).

Current Valuation Method

Currently, municipal assessors must use the OPM-selected schedule of values, which is based on 100% of the average retail price ([CGS § 12-71d](#), as amended by [PA 23-204](#), § 211). OPM has generally selected the appraisal guide that the National Automobile Dealers Association ([NADA](#))

annually compiles. For unlisted vehicles (e.g., older or modified vehicles), the assessor must determine their values.

According to NADA, it bases values on actual auction, retail, and asking price data, as well as on other factors. NADA's listed price for a particular vehicle (including used vehicles) could increase from one year to the next, correspondingly resulting in increased assessments of taxpayers' motor vehicles.

New Valuation Method

Beginning October 1, 2024, a new law requires that assessors value motor vehicles using their MSRP, sometimes referred to as part of the "sticker price" ([CGS § 12-71d](#), as amended by [PA 23-204](#), § 211, and [CGS § 12-63](#), as amended by [PA 23-204](#), § 212). Under it, vehicles' initial values are set once and then that value is reduced according to the following depreciation schedule, with vehicles that are 20 years or older being valued at at least \$500:

Table 1: Reduced Valuations by Motor Vehicle Age

Vehicle Age (in years)	% of MSRP	Vehicle Age (in years)	% of MSRP
Up to 1	80	9	40
2	75	10	35
3	70	11	30
4	65	12	25
5	60	13	20
6	55	14	15
7	50	15-19	10
8	45	20+	≥ \$500

Under this approach, used vehicles' taxable values will not increase from one year to the next. For vehicles whose MSRP cannot be determined, the assessor must determine the vehicle's value in consultation with the [Connecticut Association of Assessing Officials](#).

Antique Vehicles

State law caps the taxable value of qualifying antique vehicles at \$500. To qualify, the vehicle must be (1) at least 20 years old, (2) preserved because of historical interest, and (3) unaltered from the original manufacturer's specifications ([CGS §§ 12-71\(b\)](#) and [14-1\(3\)](#)).

OLR Report [2023-R-0127](#) provides additional information on this law and its history.

Motor Vehicle Tax Rates

Motor vehicle tax rates (expressed as “mill rates”) vary by municipality. Taxing districts may also impose an additional tax rate. Motor vehicles may be taxed at a different mill rate than real property and other non-vehicular personal property ([CGS § 12-71e\(b\)](#)).

Municipalities and taxing districts set their own tax rates but these rates, combined, may not exceed the cap set in statute, currently 32.46 mills. OPM’s [webpage](#) lists the motor vehicle mill rates in each municipality and taxing district.

OLR Issue Brief [2022-R-0217](#) provides additional information on the motor vehicle mill rate cap.

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Mill Rates

A mill is equal to \$1.00 of tax for each \$1,000 of assessment. To calculate the taxes owed, multiply the vehicle’s assessed value by the mill rate and divide by 1,000. For example, a vehicle assessed at \$25,000 in a municipality with a rate of 20 mills would have a property tax bill of \$500.

Source: [OPM](#)