

# **One Hundred Fourth Legislature - First Session - 2015**

## **Introducer's Statement of Intent**

### **LB587**

---

**Chairperson: Senator Mike Gloor**

**Committee: Revenue**

**Date of Hearing: March 18, 2015**

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB 587 would reduce the tax on passenger vehicles by changing one step in the mathematical process that is used to compute the tax.

Motor vehicle tax is calculated in two steps. A base tax rate is first determined by the value, or list price, of the vehicle when it is new. LB 587 would not change the base tax rate.

A base tax rate is then multiplied by a fraction found in the table in 60-3,187 (2)(a). The table currently in use applies to all motor vehicles. LB 587 would cause the table to be used for all vehicles except passenger cars.

LB 587 would create two new tables to apply only to passenger cars. The first table would become effective in 2016 and reduce motor vehicle tax by changing the fraction by which the base rate is multiplied. The second table would become effective in 2017. The second table would maintain the new schedule of fractions and eliminated the motor vehicle tax when the car is 12 years and older. Currently, the tax is eliminated when the car is 14 years and older.

**Principal Introducer:** \_\_\_\_\_

**Senator John McCollister**

