

Vehicle Industry News VIN 2017-16 County Fee and Use Tax Changes

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New Information

On July 1, 2017, the vehicle theft deterrence, investigation and prosecution, and prosecution of driving under the influence (Auto Theft/DUI) and sales/use tax rate fee collection by the Department of Motor Vehicles (DMV) will change as follows:

Effective with vehicle registration fees due on July 1, 2017, and after:

- **Napa County (county code [CC] 28)** will increase its Auto Theft/DUI program fees from \$1 to \$2 for autos and \$2 to \$4 for commercial vehicles, pursuant to the Commercial Vehicle Registration Act (CVRA).
- **Los Angeles County (CC 19)** will increase its use tax rate to 9.25 percent.
- **City of Ukiah (Mendocino County, CC 23)** will increase its use tax rate to 8.375 percent.

All other existing state, county, and city sales and use tax will continue at their current rates. All other counties that currently have fee programs will continue to participate and DMV will continue to collect the various program fees. For complete state, county, and city sales/use tax rate information, visit the Board of Equalization (BOE) website at www.boe.ca.gov, look under the category *Popular Topics*, and click on *All Sales and Use Tax Rates*.

Procedures

The sales/use tax rate increases will apply to:

- Original applications with a “fee due date” or “date of first operation” of July 1, 2017, or later.
- Transfer applications with a purchase date of July 1, 2017, or later.

Process registration applications as normal; programming will generate the correct use tax and county fees.

Background

Currently, DMV collects \$1 or \$2 on specified motor vehicles and an additional \$2 to \$4 for CVRA vehicles registered in participating counties for the purpose of funding Auto Theft/DUI programs. *California Vehicle Code* §9250.14 allows participating California counties to increase the Auto Theft/DUI and CVRA Auto Theft/DUI fees.

Sales/use tax rates vary throughout the State of California. The sales/use tax rate is higher than the current state rate of 7.25 percent (effective January 1, 2017) in areas where there are voter-approved special district (county, city, or both) taxes. The state, county, and/or city taxes are combined to determine the total sales/use tax rate due.

Distribution

Notification that this memo is available online at www.dmv.ca.gov under Publications was made via California DMV’s Automated Email Alert System in July 2017.

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References

California Revenue and Taxation Code §§7251 and 7285.9

California Vehicle Code §§4000 and 9250.14

Vehicle Registration Manual, Appendix 1A

Reg Tech DART, Chapter 9–Job Aids, and Appendix 1A