

THE CITY OF PROVIDENCE  
STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

# RESOLUTION OF THE CITY COUNCIL

No. 203

Effective: ~~XXXXXX~~ *Approved* April 12, 1982

WHEREAS, House Bill 82 H-7210 would create a presumptive value system for the valuation of motor vehicles for local excise tax purposes and establishes criteria for determining such presumptive value, including depreciation schedule, and

WHEREAS, This Act also provides an appellate procedure, following the Administrative Procedures Act and empowers the hearing officer and the Court to assess the costs of such appeals against the party seeking the appeal who is unsuccessful thereon,

NOW, THEREFORE, BE IT RESOLVED, That the Members of the City Council hereby endorse House Bill 82 H-7210, presently pending before the House Corporations Committee, relating to Taxation.

IN CITY COUNCIL

Effective without the Mayor's  
signature April 12, 1982.

APR 1 1982  
READ AND PASSED  
*[Signature]* PRES.  
*[Signature]* CLERK

*[Signature]*

APR 1 1982

IN CITY COUNCIL  
MAR 4 1982  
FIRST READING  
REFERRED TO COMMITTEE ON FINANCE

Rose M. Mendonca CLERK

Councilman Maise

THE COMMITTEE ON  
FINANCE  
Recommends To Be Continued  
Rose M. Mendonca  
Clerk  
March 15, 1982

THE COMMITTEE ON  
FINANCE  
Approves Passage  
The Within Resolution  
Rose M. Mendonca  
Clerk  
March 22, 1982

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 1982

A N A C T

RELATING TO TAXATION

Introduced By:

Date Introduced:

Referred To:

It is enacted by the General Assembly as follows:

- 1 SECTION 1. Sections 44-34-2 and 44-34-3 of the General Laws
- 2 in Chapter 44-34 entitled "Excise on motor vehicles and trailers"
- 3 are hereby amended to read as follows:
- 4 44-34-2. Authority to assess -- Valuation -- Calendar year
- 5 of proration -- Abatement -- Exemption from taxation. -- Except
- 6 as hereinafter provided, the tax assessors of each city and town
- 7 shall assess and levy in each calendar year on every vehicle and
- 8 trailer registered under chapter 3 of title 31, for the privilege
- 9 of such registration, an excise measured by the value thereof, as
- 10 hereinafter defined and determined. For the purpose of this
- 11 excise, the value of each such vehicle or trailer shall be deemed
- 12 to--be-the-average-retail-price-of-the-same-make,-type,-model-and
- 13 year-of-manufacture,-and-to-be-assessed-at-the-rate-as-determined
- 14 by-each-city-or-town: determined pursuant to sections 44-34-8 and
- 15 44-34-9.

1           Vehicle and trailer excises shall be prorated over the cal-  
2   endar year prior to the year in which said excises are levied and  
3   billed, said year hereinafter being referred to as the calendar  
4   year of proration.

5           The excise levy on every vehicle and trailer registered  
6   under chapter 3 of title 31 of the general laws shall be based on  
7   the ratio that the number of months such vehicle or trailer is  
8   registered is to twelve (12) months. For the purposes of this  
9   section, sixteen (16) calendar days shall constitute an entire  
10   month.

11          If during the calendar year of proration, the owner of a  
12   vehicle or trailer subject to such excise moves permanently with  
13   his vehicle to another state and cancels his registration in this  
14   state and returns his registration plates, his vehicle shall be  
15   exempt from excise for the ensuing year.

16          The term "year of manufacture" as used in this section,  
17   shall mean the year used by the manufacturer of the vehicle or  
18   trailer in connection with the designation by him or it of the  
19   model of such vehicle or trailer. ~~Where the average retail price~~  
20   ~~of a vehicle or trailer is not readily obtainable, or special~~  
21   ~~equipment is installed on the vehicle or trailer, the tax asses-~~  
22   ~~sor shall prescribe the retail price to be used or the manner in~~  
23   ~~which the retail price shall be determined.~~

24          ~~Nothing in this section shall be construed to prevent the~~  
25   ~~city council of any city or the town council of any town from~~  
26   ~~granting an abatement, in whole or in part, when there is an~~  
27   ~~error in the assessment of a tax, and the tax assessors have cer-~~  
28   ~~tified to the fact in writing to the city or town council to can-~~  
29   ~~cel taxes setting forth the nature of the error, the valuation of~~  
30   ~~the vehicle or trailer, the amount of the tax assessed and the~~  
31   ~~name of the person to whom the vehicle or trailer was taxed.~~

1       The excise imposed by this section shall not apply to vehi-  
2       cles or trailers owned by the state of Rhode Island or any polit-  
3       ical subdivision thereof, or to vehicles or trailers owned by a  
4       corporation, association or other organization whose tangible  
5       personal property is exempt under 44-3-3, subparagraphs 1  
6       through 15, or those owned by the United States government. Farm  
7       vehicles shall be exempt to the extent prescribed in 44-5-42.

8       44-34-3. Assessment roll -- Rate -- Payment -- Penalty upon  
9       nonpayment. -- The assessor registrar of the Division of Motor  
10      Vehicles shall make a list containing the value of every vehicle  
11      and trailer in-the-town which is subject to the provisions of  
12      section 44-34-2; said values to be at-the-average-retail-price  
13      as determined under section-44-34-2 sections 44-34-8 or 44-34-9  
14      or at a uniform percentage with other properties thereof, not to  
15      exceed one hundred percent (100%);-to-be-determined-by-the-asses-  
16      sors-in-each-city-or-town.

17      The excise tax levy shall be applied to the excise assess-  
18      ment roll at the same rate established by the assessors for all  
19      other property except manufacturer's machinery and equipment in  
20      accordance with section 44-5-22 and the resulting tax roll certi-  
21      fied by the assessors to the town clerk, town treasurer or tax  
22      collector, as the case may be, not later than the fifteenth  
23      (15th) day of June next succeeding.

24      If any vehicle or trailer liable to taxation in any city or  
25      town has been omitted from the tax roll the tax assessor shall  
26      assess such vehicle or trailer on a supplemental excise assess-  
27      ment roll and shall certify same to the tax collector after the  
28      fifteenth (15th) day of June, but not later than the thirty-first  
29      (31st) day of December next succeeding.

30      As soon thereafter as possible, the tax collector shall  
31      cause excise bills to be sent by first class mail to all persons,  
32      corporations, partnerships, joint stock companies, or associa-

1 tions that have registered vehicles or trailers during the calen-  
2 dar year of proration. Such bills shall be paid in accordance  
3 with section 44-5-7 at the same time and on the same schedule as  
4 property tax bills. Failure to pay such excise at the time  
5 appointed shall bring about a penalty of ten (10) percent per  
6 annum which shall apply on the date of such delinquency or, for  
7 any city or town fiscal year commencing between January 1, 1980  
8 and December 31, 1980, after approval by the proper local author-  
9 ity, at the same rate of interest as that which is applied to  
10 delinquent property taxes in the taxing jurisdiction.

11 Failure by the tax collector to send, or by the taxpayer to  
12 receive, a bill shall not excuse the nonpayment of the tax or  
13 affect its validity or any proceedings for the collection  
14 thereof.

15 This section does not apply to any and all entities which  
16 are exempt from such excise as set forth in section 44-34-2.

17 SECTION 2. Chapter 44-34 of the General Laws entitled  
18 "Excise on motor vehicles and trailers" is hereby amended by add-  
19 ing thereto the following sections:

20 44-34-8. Valuation of motor vehicles. -- For the purpose of  
21 the imposition of an excise tax upon motor vehicles, the tax  
22 assessor shall determine the value of each motor vehicle in ac-  
23 cordance with the following procedures:

24 (a) Each motor vehicle registered in this state shall be  
25 deemed to have a presumptive value.

26 (b) The presumptive value of each type of motor vehicle  
27 shall be determined by the registrar of motor vehicles for the  
28 department of transportation after consultation with the chief of  
29 the division of taxation of the department of administration.  
30 The registrar shall make such determination on a quarterly basis  
31 in each calendar year as of December 31, March 31, June 30 and  
32 September 30, and shall make lists of such determinations avail-  
33 able to each tax assessor at no cost.

1 (i) Newly-manufactured vehicles sold for the first time at  
2 retail shall be presumed to have the value which served as the  
3 basis for the payment of the state sales tax when the vehicle was  
4 registered pursuant to title 44, chapter 18 of the general laws.

5 (ii) Used vehicles and new vehicles in the possession of the  
6 first owner for a period of more than one quarter of the calendar  
7 year shall be deemed to have a presumptive value based upon a  
8 standard depreciation scale derived from the actual retail sales  
9 price of the motor vehicle which was the basis for the initial  
10 payment of the sales tax; or for a vehicle not initially pur-  
11 chased in the state as a new vehicle, upon the average price of  
12 all vehicles of similar date of manufacture, model, year, horse-  
13 power, size, make and with similar major accessories, such as air  
14 conditioning, power steering, automatic transmission, diesel  
15 power, or am-fm stereo radio, with relatively similar mileage,  
16 sold in the state of Rhode Island as new motor vehicles:

17 (1) In the first year of each vehicle, the vehicle shall be  
18 presumed to have depreciated from its actual sales price or aver-  
19 age sales price (as applicable) at a rate of one and one-half  
20 percent (1 1/2%) per month for the first twelve (12) months from  
21 the initial date of registration.

22 (2) In the second, third and fourth year of each vehicle,  
23 the vehicle shall be presumed to depreciate at a rate of one per-  
24 cent (1%) per month.

25 (3) In the fifth year of each vehicle, the vehicle shall be  
26 presumed to depreciate at a rate of .835 percent per month.

27 (4) In the sixth year of each vehicle, the vehicle shall be  
28 presumed to depreciate at a rate of .66 percent per month.

29 (5) In the seventh and eighth year of each vehicle, the  
30 vehicle shall be presumed to depreciate at a rate of .5 percent  
31 per month.

32 (6) In the ninth year of each vehicle, the vehicle shall be  
33 presumed to depreciate at a rate of .33 percent per month.

1       (7) In the tenth year of each vehicle, the vehicle shall be  
2 presumed to depreciate at a rate of .166 percent per month.

3       (8) In the eleventh year of each vehicle, and for every year  
4 thereafter, the vehicles shall be presumed to have a value equal  
5 to ten percent (10%) of its initial sales price as a new vehicle  
6 in the year of manufacture.

7       (9) The registrar, after consultation with the chief of the  
8 division of taxation, is hereby authorized to issue rules and  
9 regulations not inconsistent with this chapter for determining  
10 the presumptive value of motor vehicles.

11       (c) Unless a tax assessor or an owner of a motor vehicle  
12 shall appeal a presumptive value determination, each tax assessor  
13 shall impose the excise tax authorized by this chapter upon the  
14 presumptive value of each motor vehicle garaged in his city or  
15 town.

16       44-34-9. Appeals of presumptive value determinations. --

17 Any tax assessor, or person or other entity owning a motor vehi-  
18 cle registered in the state of Rhode Island, who disputes the  
19 presumptive value determined for a motor vehicle, may appeal such  
20 determination to a hearing officer designated by the registrar of  
21 motor vehicles. The said hearing officer may increase or decrease  
22 the presumptive value of the vehicle. The hearing officer shall  
23 determine the value of the motor vehicle as of the date of the  
24 excise tax imposed or to be imposed by the tax assessor, as the  
25 case may be. In making his determination, the hearing officer  
26 shall take into consideration the age of the motor vehicle, its  
27 mileage, the condition of its engine and body, its accessories,  
28 the improvements made on the vehicle, damage to the vehicle, the  
29 sale price of similar vehicles of the same make, model, year,  
30 horsepower, accessories, and size. Any person may present as  
31 competent evidence of the value of the motor vehicle, a sworn  
32 affidavit of a licensed automobile dealer attesting to the value



1 of the vehicle in dispute. The hearing officer shall assess the  
2 actual cost of the hearing to any party appealing a presumptive  
3 value determination who fails to prevail on such appeal. Any  
4 party aggrieved by a decision of a hearing officer may appeal to  
5 the sixth division district court pursuant to section 42-35-15 of  
6 the general laws; provided, however, that any excise tax due  
7 during the pendency of such appeal and/or judicial review shall  
8 be paid to the taxing authority. The district court may award  
9 reasonable attorney's fees to the prevailing party on appeal, or  
10 order a rebate or an addition to the excise tax paid or unpaid,  
11 as the case may be.

12 SECTION 3. This act shall take effect on January 3, 1983.

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EH069  
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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
AN ACT  
RELATING TO TAXATION

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1        This act would create a presumptive value system for the  
2 valuation of motor vehicles for local excise tax purposes. The  
3 act establishes criteria for determining such presumptive value,  
4 including depreciation schedule.

5        The act also provides an appellate procedure, following the  
6 Administrative Procedures Act, and empowers the hearing officer  
7 and the Court to assess the costs of such appeals against the  
8 party seeking the appeal who is unsuccessful thereon.

9        The act would take effect on January 3, 1983.

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EH069  
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