

## 2021 Motor Vehicle Taxes

**Sales Tax on Motor Vehicles** is paid on all motor vehicle purchases. The State rate is 5-1/2%, and local sales tax can vary up to 2% more. The tax is allocated 53-1/3% to the NE Department of Transportation, 23-1/3% to cities, and 23-1/3% to counties.

State Sales tax to NE DOT	\$165,860,005
State Sales tax to cities	72,557,922
State Sales tax to counties	<u>72,557,922</u>
Total State Motor Vehicle Sales Tax	\$310,975,849
Local Sales Tax up to 2.5%	<u>\$ 57,535,898</u>

**TOTAL MOTOR VEHICLE SALES TAX** **\$368,511,747**

**Motor Vehicle Tax** (property tax) is assessed on a vehicle at the time of initial registration and annually thereafter until the vehicle reaches 14 years of age or more. It is based upon the MSRP (Manufacturer's Suggested Retail Price) of the passenger vehicle or GVWR (Gross Vehicle Weight Rating) of a truck. This figure is set by the manufacturer and can never be changed. Once the MSRP of the vehicle is established, a Base Tax set by Nebraska statute and assigned to that MSRP is then assessed.

It is this Motor Vehicle Tax/Base Tax figure that is adjusted as the vehicle ages.  
**(IT IS A PROPERTY TAX.)**

The **distributions** of funds collected for the Motor Vehicle Tax are:

After 1% is retained by the county treasurer and 1% is directed to the Vehicle Title and Registration System Replacement and Maintenance Cash Fund, the remaining MV tax proceeds are allocated to each county, local school system, school district, city, and village in the tax district in which the motor vehicle has situs.

- 22% is allocated to the county;
- 60% is allocated to the local school system or school district;
- 18% is allocated to the city or village, except that:
  - a) if the tax district is not in a city or village, 40% is allocated to the county and
  - b) in counties containing a city of the metropolitan class, 18% is allocated to the county and 22% to the city or village.

Motor Vehicle Tax (Property Tax) to schools, counties and cities: \$301,685,118

There were 2,441,732 registered motor vehicles; of those registered vehicles, Approximately 1,025,000 were 14 years old or older and paid \$0.00 motor vehicle tax.

**TOTAL PROPERTY TAX ON MOTOR VEHICLES** **\$304,738,054**

**Motor Vehicle Fee** is based upon the value, weight, and use of the vehicle and is adjusted as the vehicle ages.

After 1% is retained by the County Treasurer, the money is directed to the State Treasurer who distributes it as follows:

- 50% to the County Treasurer of each county, amounts in the same proportion as the most recent allocation received by each county from the Highway Allocation Fund; and
- 50% to the Treasurer of each municipality, amounts in the same proportion as the most recent allocation received by each municipality from the Highway Allocation Fund. Any money in the fund available for investment is invested by the state investment officer pursuant to the NE Capital Expansion Act and the NE State Funds Investment Act.

**TOTAL MOTOR VEHICLE FEES                      \$26,118,333**

The **Registration Fees** are assessed:

- \$15.00 – Registration fee for passenger and leased vehicles.
- Registration fee for commercial truck and truck tractors is based upon the gross vehicle weight of the vehicle.
- Registration fee for farm plated truck and truck tractors is based upon the gross vehicle weight of the vehicle.

Registration Fees are distributed to the Highway Trust Fund.

**TOTAL REGISTRATION FEES:                      \$59,149,992**

**Additional fees collected (and their distribution) for every motor vehicle registration issued are:**

- **\$.50** – Emergency Medical System Operation Fund – this fee is collected for Health and Human Services - \$1,287,962
- **\$2.00** – Department of Motor Vehicles Cash Fund – this fee stays with DMV - \$5,200,164
- **\$1.50** – State Recreation Road Fund – this fee is collected for the Department of Roads - \$3,863,887
- **\$1.50** – County General Fund – stays with the county official (fee is \$5.00 if non-resident) - \$4,011,808
- **\$3.30** – Plate fee per plate assessed whenever new, duplicate or replacement plates are issued (remitted to the Highway Trust Fund) - \$2,510,028

**Wheel Tax** is charged annually by several cities ranging from \$10 to \$370

**TOTAL WHEEL TAX                                      \$44,069,802**

**WITH THE ABOVE AND VARIOUS OTHER COLLECTIONS IN 2021, THE STATE DMV COLLECTED AND DISTRIBUTED \$858,371,640 FROM MOTOR VEHICLES:**

**TOTAL MOTOR VEHICLE FEES AND TAXES 2021                      \$858,371,640**