

# HOUSE RESEARCH

## Bill Summary

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**Subject:** Dedicating the sales tax from motor vehicle leases

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### Overview

Motor vehicle leases are subject to the general sales tax and not the motor vehicle sales tax (MVST). Currently the tax revenues generated by these leases go to the state general fund. This bill would dedicate the revenues from the tax on these leases in the same manner and for the same purposes as the MVST revenues

#### Section

- 1**     **Deposit of revenues, motor vehicle leases.** Requires that beginning with revenues, collected on or after July 1, 2006, that the revenues collected from the sales tax on motor vehicle leases be dedicated to the highway and transit funds in the same manner and proportions as revenues from the motor vehicle sales tax (MVST). If the constitutional amendment passes that totally dedicates all revenues to the highway user trust fund, the metropolitan area transit fund and the greater Minnesota transit fund, the total revenue raised from motor vehicles leases will also be totally dedicated to those purposes.
- 2**     **Deposit of revenues, sales tax.** States that the portion of sales tax revenues derived from long-term motor vehicle leases will be dedicated as provided in section 0.