Overview

In 1985, a law was passed to exempt non-collector passenger automobiles from the motor vehicle excise tax (now sales tax) if the vehicle (1) is more than ten years old, (2) is currently registered in Minnesota, and (3) has a market value of less than $3,000. These passenger motor vehicles pay a flat $10 tax in-lieu of the sales tax. The registrar of motor vehicles is required to issue a list every year of older cars that do not for the in-lieu tax. The law has changed only slightly over the years, the major change being to drop the requirement that the vehicle currently be registered in Minnesota before the sale in order to qualify.

1 Noncollector vehicle. Changes the value of passenger automobiles that qualify the noncollector motor vehicle in-lieu tax. For the list issued February 1, 2000, any noncollector passenger vehicle with a value under $6,000 shall qualify for the $10 in lieu tax. The $6,000 value cap shall be increased every year based on inflation, as measured by the change in the consumer price index.