



SURCHARGES ON AUTOMOBILE TRANSACTIONS

Automobile Dealers

1% surcharge on motor vehicle sales tax Effective July 1, 2003

A 1% surcharge is applied to the sale price of a motor vehicle (in addition to the 6.25% sales tax) when titled in Texas.

The 1% surcharge applies when the vehicle meets the following criteria:

- diesel vehicle
- registered gross weight of 14,001 pounds or more
- model year 1997 or later (1997, 1998, 1999, etc.)

2.5% surcharge on motor vehicle sales tax Effective July 1, 2003

A 2.5% surcharge is applied to the sale price of a motor vehicle (in addition to the 6.25% sales tax) when titled in Texas.

The 2.5% surcharge applies when the vehicle meets the following criteria:

- diesel vehicle
- registered gross weight of 14,001 pounds or more
- model year 1996 or earlier (1996, 1995, 1994, etc.)

10% surcharge on vehicle registration Effective September 1, 2001

A 10% surcharge is only applied to the registration fee, minus the reflectorization fee, for truck tractors and for commercial motor vehicles that are subject to combination fees.

(Combination, NAFTA Annual Permits, Seasonal Agriculture, Apportioned and Forestry Registrations)

The 10% surcharge applies when either of the following applies:

- a registration for a truck tractor that is subject to combination fees
- a registration for a commercial motor vehicle subject to combination fees

Effective September 1, 2008 . . .

SB 11 requires that all motor vehicle dealers issue a Buyer Tag for every retail sale and collect a fee of \$5. The law also requires dealers to have a 24-hour internet access at their place of business in order to electronically process temporary tags. \$5 buyer tag is due on all out of state or exported sales and payment must be remitted to the TAC office. For more information, please call 512-302-2020.

Reminder...

RTS Release 6.5.0 will implement a vehicle registration “e-Reminder” for those customers providing a valid e-mail address.

The new renewal notice has a green border and blue-and-green TxDMV “Star” logo above “TxDMV”, which appears in the upper left-hand corner and near the bottom of the notice. The information on the back of the renewal notice was also changed for improved readability.

Effective September 1, 2005, recreational vehicles that are diesel-powered, over 14,000 pounds, and not held or used for the production of income are exempt from the 1 or 2.5 percent Texas Emissions Reduction Plan motor vehicle tax surcharge.