

**COMMONWEALTH OF KENTUCKY FISCAL NOTE STATEMENT
LEGISLATIVE RESEARCH COMMISSION
2025 REGULAR SESSION**

MEASURE

2025 BR NUMBER 56

HOUSE BILL NUMBER 113

TITLE AN ACT relating to motor vehicle usage tax.

SPONSOR Representative Peyton Griffee

FISCAL SUMMARY

STATE FISCAL IMPACT: YES NO UNCERTAIN

OTHER FISCAL STATEMENT(S) THAT MAY APPLY: ACTUARIAL ANALYSIS
 LOCAL MANDATE CORRECTIONS IMPACT HEALTH BENEFIT MANDATE

APPROPRIATION UNIT(S) IMPACTED: _____

FUND(S) IMPACTED: GENERAL ROAD FEDERAL RESTRICTED _____

FISCAL ESTIMATES	2024-2025	2025-2026	ANNUAL IMPACT AT FULL IMPLEMENTATION
REVENUES		(Indeterminable)	(Indeterminable)
EXPENDITURES			
NET EFFECT		(Indeterminable)	(Indeterminable)

() indicates a decrease/negative

PURPOSE OF MEASURE: HB 113 would exempt motor vehicles from the motor vehicle usage tax imposed by KRS 138.460 which were previously registered in another state, and owned by a current or former member of the Armed Forces of the United States, provided that the motor vehicle was purchased when the owner was on active duty.

FISCAL EXPLANATION: In order to estimate potential foregone revenue, it is necessary to know the price of used vehicles and the number of vehicles registered and titled in Kentucky that were previously registered in another state by a current or former member of the Armed Forces of the United States, and only if the vehicle was purchased when the owner was on active duty.

According to J.D. Power Valuation Services, the average price of a used vehicle in 2024 was approximately \$28,300. However, no data exists regarding the number of vehicles registered in Kentucky by current or former members of the Armed Forces, provided that the vehicle was purchased when the owner was on active duty. Because this data does not exist, the fiscal impact of 2025 Regular Session HB 113 is negative but indeterminable.

If this data did exist, the fiscal impact could be determined by taking the number of vehicles registered in Kentucky by current or former members of the Armed Forces, provided that the vehicle was purchased when the owner was on active duty, multiplying it by the average price of used vehicles, then multiplying the resulting value by Kentucky’s motor vehicle usage tax of six percent.

DATA SOURCE(S): LRC Economists and Appropriations and Revenue Staff
PREPARER: Katy Jenkins **NOTE NUMBER:** 8 **REVIEW:** ___ **DATE:** 1/16/2025