

Information

MOTOR VEHICLE AND TRAILER EXCISE TAX

You must pay excise tax for any calendar year in which you own and register a motor vehicle or trailer in Massachusetts. Excise tax is assessed as of January 1, or the month the vehicle is registered if registered after January 1. Bills are issued by the city or town where your vehicle is principally located or garaged as of that assessment date.

The excise tax valuation is a percentage of the Manufacturer's Suggested Retail Price (MSRP or 'sticker price') of the vehicle when new (not the sales price or current market value). The percentages are: 50% for the calendar year before the model year, 90% for the model year, 60% for the second year, 40% for the third year, 25% for the fourth year, and 10% for the fifth and following years. Excise tax for vehicles and trailers registered after January 1 is pro-rated by the number of months in the calendar year the vehicle is registered.

EXCISE TAX ABATEMENTS

IMPORTANT

You are required to PAY YOUR EXCISE TAX BILL IN FULL AND ON TIME before you can receive an excise tax abatement. If you need your bill number, please email collector@medford-ma.gov

If you meet the requirements for an excise tax abatement, then you will receive a pro-rated refund check in the mail approximately 4 months after the Board of Assessors approves your application at their monthly meeting.

Requirements for an excise tax abatement:

For an abatement, you must have cancelled or transferred the registration AND transferred ownership of the vehicle. You are required to provide us with the documentation of both, and we are required to use the date of the later of the two events. An abatement may be granted if you did any of the following during the same calendar year:

- (1) Sold or otherwise transferred ownership of the vehicle,
- (2) Moved out of Massachusetts,
- (3) Re-registered the vehicle,
- (4) Reported the theft of the vehicle, or
- (5) Vehicle was repossessed.
- (6) You may be entitled to an abatement refund if the vehicle is valued at more than the percentage of manufacturer's list price (MSRP) that applies for the calendar year.

An abatement for these reasons also requires you to cancel or transfer the registration, report the plate lost or stolen, or take other action with your registration during the same calendar year.

You are NOT entitled to an abatement if you:

- (1) Cancelled your registration and retained ownership of the vehicle, or
- (2) Moved to another Massachusetts city or town during the same calendar year.

An abatement is pro-rated by the number of months in the calendar year after you cancelled/transferred the registration AND transferred ownership of the vehicle, whichever is later. No excise tax bill may be reduced to less than \$5.00. No abatement or refund of less than \$5.00 can be made.

A separate application is required for each motor vehicle.

ABATEMENT APPLICATION DEADLINE

Your abatement application must be received by the Board of Assessors within three years after the excise tax was due, or one year after the excise tax was paid, whichever is later. To preserve your right to an abatement and to appeal, you must file an application on time. By law, assessors may only act on late applications in limited circumstances where the excise tax is still unpaid, and their decision in those cases is final.

PAYMENT

Filing an application does not mean you do not have to pay your excise tax. You are still required to pay your excise tax bill in full and on time even if you are applying for an excise tax abatement. If you fail to pay your excise tax in full when it is due, then you will be subject to paying interest, demand fees and service charges when they apply, and collection action including non-renewal of your registration and driver's license. To avoid any collection charges or action, you must pay the excise tax in full within 30 days of the bill's issue date.

DECISION

The assessors have 3 months from the application filing date to act unless you agree in writing to their request to extend the action period for a specific time. If your abatement application is approved, then you will receive a pro-rated refund check in the mail approximately 4 months after the Board of Assessors approves your application at their monthly meeting. If the assessors do not act on your application within the original or extended period, it is deemed denied.

SUPPORT

If you have any questions about your Motor Vehicle Excise Tax Abatement Application, please contact assessors@medford-ma.gov.