



**CITY OF
CENTRAL FALLS**

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**STATE OF
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MOTOR VEHICLES

All Rhode Island residents who own and register a motor vehicle or trailer must annually pay a motor vehicle excise tax. The excise tax is levied by the City/ Town where the vehicle(s) is/are principally garaged.

The motor vehicle excise tax is a tax on the privilege of registration and is based on the number of days each vehicle or trailer was registered during the PRECEDING year.

The value for excise tax purposes is mandated by Rhode Island General Law (RIGL) 44-34.1(c)(1)9(i). This determination is made by using the National Automobile Dealers Association (NADA) Used Car Guide and other recognized pricing guides. The value used is based on the age of the vehicle and the excise tax calculation in the fiscal year(FY) 2017/2018 and in all future fiscal years as was used in FY 2017/2018. Please see phase out plan at the end of this statement.

If the vehicle is sold and not replaced, the registration must be cancelled and the plates returned to the Division of Motor Vehicles (DMV). If for any reason you no longer have a vehicle(sold, stolen, totaled or donated) or if you moved out of State and you do not return the plates to the DMV, or if you simply allow the registration to expire, **THE VEHICLE WILL CONTINUE TO BE TAXED BY THE CITY**. At the time of cancellation, the registry issues a TR-3 form (cancellation of plates receipt). Retain this document as it your only proof that the plates were cancelled. When a

registration is properly cancelled, the taxes for that registration will stop as of the date of cancellation.

All address changes must be made through the Division of Motor Vehicles. If you do not change your address with the DMV you may not receive your tax bill. RIGL 31-3-34 requires that you notify the DMV within 10 days of a change of address. It is your responsibility to ensure that you are paying local taxes on your vehicle(s), regardless of your receiving a tax bill (RIGL 44-7-7). If you become delinquent on your taxes you will not be able to renew your registration without receiving a stamp from the Tax Collector clearing the registration for renewal. Once delinquent, taxes must be paid in full with interest. (RIGL 44-5-8).

In the year 2017 the State of Rhode Island initiated a phase out of the Motor Vehicle Excise Tax.

- Any vehicle which is *more than fifteen* years old shall be deemed to possess an average retail value of five hundred dollars (\$500) per RIGL 44-34-2(a). For FY 2018, this equates to model year 2002 and older per the RI Vehicle Value Commission's annual methodology.
- Per RIGL 44-34-11, 44-34.1-1(c)(1)(i) and 44-34.1-1(c)(5), starting in local FY 2018, the following chart applies to the taxation of motor vehicles by all cities, towns, and Lincoln's fire districts:

Local Fiscal Year	Percentage of NADA Value Allowed	Minimum Total MV Exemption Amount*	Maximum MV Tax Rate**
2018	95%	\$1,000	\$60.00
2019	90%	2,000	50.00
2020	85%	3,000	35.00
2021	80%	4,000	35.00
2022	75%	5,000	30.00
2023	70%	6,000	20.00

* Please note, the minimum total motor vehicle exemption amount shall be the greater of: the minimum annual exemption mandated by RIGL 44-34.1(c)(1)(i-vii) (shown above) and the *total motor vehicle exemption* each city, town or fire district offered in FY 2017. (Total motor vehicle exemption for FY 2017 = \$500 statewide minimum exemption plus any additional local excess motor vehicle exemption, if applicable.)

** The maximum motor vehicle tax rate a city, town or fire district may charge is the lesser of the annual maximum motor vehicle tax rate per RIGL 44-34.1-1(viii)(5) (shown above) and the motor vehicle tax rate a city, town, or fire district utilized in FY 2017.