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Paul Eno - Rhode Island Builders Association takes a stand against excessive truck taxes

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In response to member concerns over recent motor vehicle tax bills, executive director John Marcantonio appeared before the R.I. Motor Vehicle Value Commission (MVVC) on October 27th. Marcantonio spoke about the inequities in the valuation process, the excessive tax amounts, and the harm being done to members of the R.I. Builders Association who are competing with companies based in Mass., where motor vehicle taxes are dramatically lower.

Marcantonio stressed the need to change the system and recommended that a process similar to the one used in Mass. be pursued.

"Our members should know that RIBA is fighting for change on the valuations of trucks and will continue to do so," Marcantonio said. "We know that the same truck in Massachusetts can be taxed at hundreds of dollars less per year, and this puts our industry at a competitive disadvantage. This is especially true during tough economic times."

MVVC is a little-known board, but it sets maximum vehicle values for taxation purposes, both private and commercial, on a statewide basis. Municipalities levy their taxes accordingly, some based at or close to the maximum values allowed, others at much less. The problem: MVVC sets vehicle values at the full retail price, even if the vehicle has been owned for years.

Some examples provided by RIBA members illustrate the problem. A member who has trucks in both Mass. and R.I. compared taxes. A 2008 Toyota pickup truck in Mass. is valued at \$3,900, while the same truck in R.I. is valued at \$15,375.

The difference in the tax bill is even more dramatic, as the Mass. tax on that truck is \$97.50, while in Johnston, R.I., it was \$637.44, a difference of \$539.94.

In Mass., the tax rate for cars is the same statewide, whereas the rate in R.I. varies widely from town to town.

Another member reported that his 2008 GMC work truck is valued at \$16,725 but that a brand new, 2011 GMC work truck can be bought for \$15,550, according to a newspaper advertisement.

These examples are not uncommon and vividly illustrate what is wrong with car valuation and taxation in R.I., Marcantonio said.

People all over the state, suffering from motor vehicle tax "sticker shock" also are up in arms over the valuations, and much is being made of it by the local media. General Assembly action in 2012 to roll back the valuations is a focus of RIBA's Legislative Committee.

At the MVVC meeting, Marcantonio was told that the MVVC has requested a meeting with legislators to discuss this topic.

Paul Eno is the owner and editor-in-chief of New River Press, Woonsocket and is the editor of the monthly RIBA newsletter, The Rhode Island Builder Report.