

**Model for analysis of the potential revenue from a luxury car tax as a revenue source for EV incentives**

**Base assumptions**

33,100	VT total number of vehicle sales
0.05	Proportion total sales = luxury
1,655	= luxury vehicles
95%	Proportion with trade-in
5%	Proportion without trade-in
\$80,000	Avg price before trade-in
\$30,000	Average trade-in
6%	Luxury tax marginal rate

**Purchases with trade-in**

1,572	Number
\$50,000	Average taxable value
\$30,000	Luxury tax kicks in at
\$20,000	Luxury tax applies to
\$3,000	Base MV P&U tax
\$1,200	Luxury tax
\$4,200	Total tax
\$1,886,700	Total luxury tax annual revenue

**Purchases without trade-in**

83	Number
\$80,000	Average taxable value
\$60,000	Luxury tax kicks in at
\$20,000	Luxury tax applies to
\$4,800	Base MV P&U tax
\$1,200	Luxury tax
\$6,000	Total tax
\$99,300	Total luxury tax annual revenue
\$1,986,000	Total annual revenue
2,000	Average EV incentive
993	Number of incentivised sales

Variable inputs. All other cells are automatic