

## State of Vermont

## DEPARTMENT OF MOTOR VEHICLES

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Memo To: Senate Committee on Transportation  
From: Andrew Collier, Commissioner Department of Motor Vehicles  
Date: February 28, 2025  
Subject: Purchase and Use Tax

Stemming from the concern that Vermonters are being charged a tax not comparable to the true value of the vehicle when purchased in a private sale, DMV recognizes and can appreciate this concern. DMV would like to highlight the current process in addition to what is available to Vermonters to alleviate this burden to include the added benefits bullet listed below. In addition DMV enforcement division is prepared to come in front of the committee to discuss this in depth.

- DMV will educate Vermonters by streamlining the appraisal process and dedicating a webpage to finding a local dealer, having the vehicle appraised, and answers to common questions and concerns.
- DMV has a list of dealers who are certified to appraise vehicles. While this list is currently listed on the DMV website, DMV will make this list more readily available to customers by featuring links to it in prominent places on its website.
- DMV will use its social media platform to share this information periodically, so the posts remain in prominent locations and keep Vermonters educated on what is available to them.
- DMV will also point folks to the Department of Environmental Conservation website where there is a program that helps low-income Vermonter pass emissions inspection (<https://dec.vermont.gov/air-quality/mobile-sources/AERAP>). This will be included in the social media outreach to Vermonters to keep them informed.
- DMV will extend the grace period to register a vehicle for customers who wish to pay purchase and use tax based on a dealer appraisal. This will allow a registrant additional time to take the vehicle to a dealer for appraisal. Additionally, this will allow the customer to pay the correct tax and lower the out of pocket expense at the time of registration rather than wait for a refund after the fact.
- DMV will provide a reduction in appraised value for folks who purchased a vehicle for less than the clean trade-in value to help offset the cost of the appraisal.
  - If DMV uses the dealer appraisal value as the taxable cost, the price of the dealer appraisal (receipt required), up to \$50, will be deducted from the taxable cost of the vehicle and the reduced taxable cost value will be used to calculate the tax owed.

To note: DMV's Information Unit provides assistance through email and phone. The Information Unit has a call back feature to alleviate call wait times. Emails are responded back to within 24-48 hours. Links to these services will be provided where information regarding dealer appraisals are referenced.