

Car tab (RTA MVET) FAQ

Why is the RTA tax on my vehicle higher than it was last year?

In 2016 voters in the [Sound Transit district](#) approved an increase in the Regional Transit Authority (RTA) Motor Vehicle Excise Tax (MVET) to fund the mass transit expansion described in [Sound Transit 3](#). This vote increased the MVET rate from .3 percent to 1.1 percent annually, or \$110 for each \$10,000 of depreciated vehicle value. These taxes will help deliver the voter- approved program to extend light rail from Tacoma to Everett and from Redmond and Issaquah to Ballard and West Seattle; expand Sounder commuter rail to serve more passengers; provide bus rapid transit service on I-405 and SR 522; and add parking and access improvements at rail stations.

How is the RTA car tab tax calculated?

The [RTA tax](#) is calculated from the depreciated value of your vehicle. It is determined by using a formula based on the vehicle manufacturer's suggested retail price (MSRP), or purchase price for commercial trucks and commercial trailers, and a [depreciation schedule](#) set by state law based on the age of the vehicle.

This method of calculating the tax ensures that owners of the same type of vehicle pay the same amount of tax. Contact the [Department of Licensing](#) with questions about the RTA MVET, such as types of vehicles subject to the RTA MVET.

What depreciation schedule is used to determine vehicle value for the Sound Transit MVET?

The MVET being collected uses the same [depreciation schedule](#) that has been in place since 1999. Continued use of this schedule is required by commitments to people who purchased Sound Transit bonds in 1999 to collect the MVET using the vehicle depreciation schedule in effect at that time. The Washington State Constitution requires honoring commitments to bondholders.

A depreciation schedule which is more favorable, especially to owners of newer cars, was adopted by the Legislature in 2006. This schedule will go into effect after the 1999 bonds are retired in 2028. The use of the original vehicle depreciation schedule until then is consistent with 2015 state legislation that authorized voter consideration of designated ST3 tax sources, as well as with further bondholder commitments that were made in November 2016. In 2028 the original 0.3 MVET that voters approved in 1996 will expire and the tax will be reduced from 1.1 percent to 0.8 percent.

Did Sound Transit inform voters about the MVET increase and how it would be calculated prior to last November's vote?

The increased taxes associated with ST3 were communicated clearly and frequently while the ballot measure was being considered and were highlighted in abundant media coverage. The proposed MVET increase was described in the ballot title that appeared on every ballot. Sound Transit sent a mailer to more than one million registered voter households in the district as required by state law and posted additional information online, including a calculator for estimating additional tax costs on an

individualized basis. The Sound Transit [tax calculator](#) had more than 10,000 users and was similar to one published in the Seattle Times, which enjoys a broad regional circulation. Both were based on the depreciation schedule now in use.

Why is vehicle value based on MSRP and not on Kelley Blue Book?

The DOL's method of calculating the tax based on MSRP ensures that owners of the same type of vehicle pay the same amount of tax. There is no mechanism in law to account for ranges of market value that the Kelley Blue Book attempts to estimate based on age, mileage, features and actual condition of vehicles. If these considerations were used it could require a costly and burdensome system for vehicle inspections.

I haven't received my renewal notice yet. How can I calculate my RTA tax?

Use the Department of Licensing (DOL) vehicle [tab estimator](#) to estimate the cost of your renewal tab.

I lived in the RTA when I renewed and paid the RTA tax. Now that I've moved, can I get a refund?

The RTA tax is assessed at the time of renewal using the vehicle's address of record and is not pro-rated or refundable. Please make sure your address is updated with [Department of Licensing](#) (DOL) in accordance with state laws each time you move.

Is the RTA MVET deductible on my federal taxes?

Sound Transit does not provide tax advice, however, both the IRS and Turbo Tax websites suggest that the MVET is deductible for those who file a Schedule A for itemized deductions. Excise taxes are deductible if they are based on the value of property; are imposed on an annual basis; and are imposed on personal property. The MVET meets all three of these criteria. Other flat fees on the renewal bill do not meet these criteria. Please consult your tax advisor before claiming this exemption.

I received a Shortage letter. What is it?

Sometimes the MVET tax is not collected at purchase or renewal. If that happens you will receive a shortage letter from the [Department of Licensing](#) (DOL). The RTA tax has to be paid before you can renew your car tabs. Information about how to pay the shortage bill can be found in the shortage letter.

 [Sample shortage letter](#) (pdf)