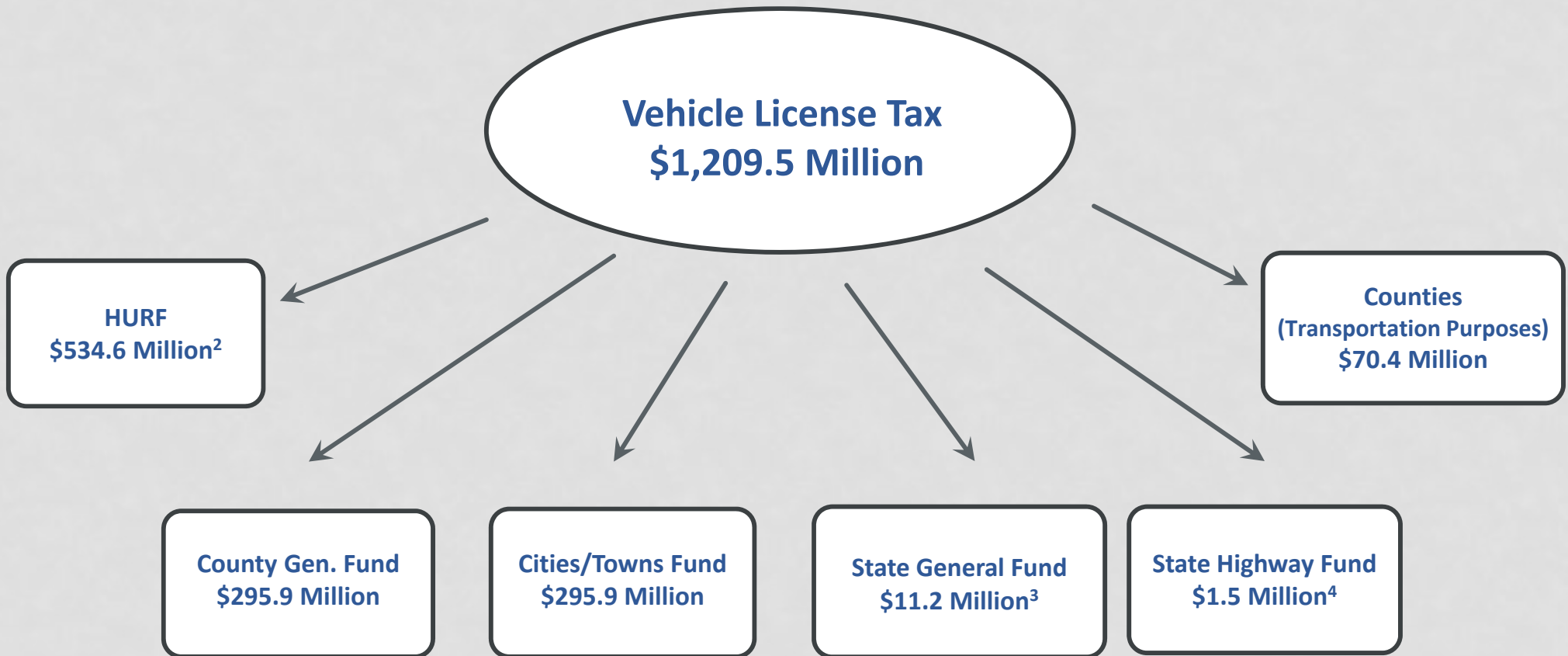


# Vehicle License Tax Distribution<sup>1</sup>

## FY 2022



### Notes:

- Vehicle License Tax (VLT) collections and distributions are prescribed in Arizona Revised Statutes 28-5801 through 28-5812. VLT collections and distributions vary based on the type of vehicle, the vehicle's age, the vehicle's use and the owner(s) of the vehicle.
- Per Arizona Revised Statutes 28-5808, subsection A, 1.51 percent of the State Highway Fund's share of HURF VLT is deposited into DPS Parity Compensation Fund. This figure includes these monies, which totaled \$4.0 million in FY 2022. Per Laws 2021, Chapter 127 (SB 1823), \$3.3 million from the State General Fund was distributed in FY 2022 in the same manner as rental vehicle surcharge. As a recipient of rental vehicle surcharge, HURF received \$1.2 million in the VLT category as a result of this one-time transfer that was not from actual VLT activity. This figure excludes any monies distributed to the State General Fund (see footnote 3).
- Per Laws 2002, Chapter 328 (HB 2708), 50 percent of any increase in VLT collections due to vehicle registration enforcement by MVD shall be deposited into the State General Fund. Per Arizona Revised Statutes 28-5808, subsection E, the State General Fund receives the difference between the State Highway Fund's share of HURF VLT that is generated from each five-year registration and the SHF's share of HURF VLT if those same vehicles had only been registered for a two-year vehicle registration period. Per Arizona Revised Statutes 28-5808, subsection D, 90 percent of the abandoned vehicle fees collected under Arizona Revised Statutes 28-4802, subsection A and 60 percent of the abandoned vehicle fees collected under Arizona Revised Statutes 28-4802, subsection B are deposited into the State General Fund. The State General Fund also receives a share of the VLT from alternative fuel vehicles, rental vehicles and privately owned vehicles used as a school bus, ambulance or fire fighting service. These are all included in the State General Fund amount and not in the HURF amount in this diagram.
- Per Arizona Revised Statutes 28-5101, subsection F, authorized third parties are entitled to two percent of each VLT payment the authorized third party collects and submits to the Department or four dollars for each registration year or part of a registration year, whichever is more. This is called third party retainage. Although the State Highway Fund is only a small beneficiary of VLT distributions, primarily through HURF, the State Highway Fund pays for the entirety of the VLT third party retainage. \$35.5 million was paid to third parties for VLT transactions in FY 2022, which is not reflected in this diagram.