Standard Presumptive Value (SPV) Frequently Asked Questions

Law (Definitions, Provisions, Etc.)

- Q: Is there a new motor vehicle sales tax law?
- A: Yes. HB 4, enacted by the 79th Legislature, 3rd Called Session, provides that a SPV be used to determine the tax base for calculating used motor vehicle sales tax.
- Q: What is the new law?
- A: The new law only applies to private party sales (sales not involving a dealer) of used motor vehicles and requires that sales tax is calculated on a minimum value of 80 percent of the SPV if the declared sales price is less than that value amount unless an appraisal is provided.
- Q: What is Standard Presumptive Value?
- A: It is an average wholesale used vehicle value for vehicles bought and sold in Texas.
- Q: Who does this new law apply to?
- A: To anyone who buys a used motor vehicle, whether the vehicle was bought in Texas or another state, from a private party, such as an individual or a company that is not a licensed dealer.
- Q: Why only private party sales?
- A: Dealer sales are already based on standard dealer values and prior to this there has been no process for determining the value of used motor vehicles sold by private parties.
- Q: Why are we doing this?
- A: To ensure that all Texans pay their fair share of vehicle sales taxes. Additional revenue collected through this new law will help fund education.
- Q: Did the motor vehicle sales tax rate change?
- A: No, the motor vehicle sales tax rate is still 6.25 percent.

Value Information

- Q: How often are the values updated?
- A: Values provided through the Registration and Title System and the TxDOT Web site are updated at least once monthly.
- Q: How can the public or others find out the value of a vehicle?
- A: Public access to SPV information and values will be provided through the TxDOT Web site www.txdot.gov.
- Q: Does the SPV reflect trim accessories or vehicle condition?
- A: No, the value is based on the lowest private party transaction value for the vehicle based on VIN and mileage (if applicable).
- Q: Why is the value for the same vehicle different from what the other major guides say it should be?
- A: Due to a number of variants, the computation of vehicle values may vary among the different value guides. The value provided on TxDOT's Web site is also different, as it represents the private party transaction value as required by Texas law.

Vehicles & Transactions Included / Excluded

Q: What vehicles does the new law apply to?

A: The law applies to most types of used motor vehicles; however, at this time the value required by law is not available for all types of used motor vehicles through any nationally recognized motor vehicle value guide service. Therefore, when the law goes into effect on October 1, 2006, the only vehicles affected will be passenger cars, trucks (light, medium, and heavy duty), and motorcycles. Recreational Vehicles, private buses, travel trailers, and trailers are not included at this time but will be requested as part of a Request for Proposal that will be published next year.

Q: What transactions are excluded from SPV?

A: The following vehicles and transactions are excluded from SPV:

- Private party sales with a sale date prior to October 1, 2006
- Vehicles sold by a dealer licensed in Texas or in another state
- Vehicles eligible for "classic" license plates (25 years or older; current model year back).
- Vehicles sold through storage or mechanic's liens
- Abandoned vehicles
- Salvage vehicles
- Gifts
- Even Trades

Q: I purchased my vehicle before October 1, 2006, does the new law apply?

A: No purchases with a title assignment date prior to October 1, 2006, are affected by this law.

Q: Does this new law affect a new vehicle purchases?

A: No. The SPV law does not apply to vehicles (new or used) purchased from a dealer.

- Q: How old does a car have to be to be exempt from SPV?
- A: At least 25 years old (current model year back).
- Q: Are off-highway use vehicles (motorcycles, ATVs, etc.) exempt from SPV?
- A: Yes. Off-road vehicles, such as dirt bikes and all-terrain vehicles (ATVs), are not considered motor vehicles for motor vehicle sales tax purposes.

Miscellaneous SPV

- Q: Since private title services are agents of the County, does the 20 county working days include the Saturdays the private offices are open? Is Saturday considered a county "working day"?
- A: County working days are the actual days the county tax office are open to the public.
- Q: If buyer waits more than 20 county working days to transfer the used MV, is the buyer stuck with SPV?
- A: It is too late for the buyer to get a certified appraisal. The buyer will pay on sales price or 80% of SPV, whichever is greater.

Contact Information

- Q: How can someone contact the Comptroller of Public Accounts?
- A: The Comptroller of Public Accounts can be contacted at (800) 252-1382 or by visiting the Comptroller's Web site, www.window.state.tx.us. They can also be contacted via email with questions and comments at tax.help@cpa.state.tx.us.