



Motor Vehicle Excise Tax



What is Excise Tax?



Excise tax is a tax paid when purchases are made on a specific good.

Excise tax is often included in the price of the product.

Excise tax is assessed upon each transfer of vehicle, all terrain vehicle, boat or outboard motor ownership, unless specifically exempted by law.



When Is Excise Tax Paid?



Excise tax is collected at the time of issuance of the new Oklahoma title.

Oklahoma residents are subject to excise tax on vehicles, all terrain vehicles, boats or outboard motors purchased in another state.

Nonresidents who purchase in Oklahoma are not assessed Oklahoma excise tax, provided they title and register in their state of residence.



How Much Excise Tax Do I Pay?



Use our OkCARS - Sales and Excise Tax Estimator to help determine how much sales and excise tax you will pay on your new purchase.

Most vehicles, all terrain vehicles, boats or outboard motors are assessed excise tax on the basis of their purchase price, provided that purchase price is within 20% of the average retail value for that specific model. If the purchase price provided is not within that 20% range, a taxable value within that range is established for excise tax assessment purposes.

%

Deductions



The purchase price may include a deduction for any dealer rebates or discounts and may not include a deduction for any trade in.



For **new vehicles**, a copy of the purchase agreement or bill of sale from the dealer is required. For **used vehicles**, either purchase price listed in assignment portion of conforming title certificate, a copy of a bill of sale or purchase agreement, or a notarized Declaration of Vehicle Purchase Price, **Form 722-1**, is required.

When establishing an average retail value for the purpose of assessing excise tax, Oklahoma law makes no provision for adjusting the value due to the product's condition – be that condition above or below average. An average value for all such models is utilized.



Motor Vehicle Excise Tax Purchase Types



New Vehicle:
3.25% of the purchase price (or taxable value, if different)

Used Vehicle:
\$20.00 on the 1st \$1,500.00 of value + 3.25% of the remainder



New Boat/Motor:
3.25% of the manufacturer's original retail selling price

Used Boat/Motor:
3.25% of taxable value which decreases by 35% annually



New Manufactured Home: 3.25% of $\frac{1}{2}$ the actual purchase price/current value

Used Manufactured Home: 3.25% of 65% of $\frac{1}{2}$ the actual purchase price/current value



New and used all-terrain vehicles, utility vehicles, and off road motorcycles:
4.5% of the actual purchase price with a minimum of \$5.00