**Transportation Specific Updates and Corrections to**

**2024 Minnesota Tax Handbook**

This transportation specific update to the 2024 Edition of the Minnesota Tax Handbook contains notable clarifications to specific transportation tax law changes enacted in 2024 or earlier. Also included are the current rate specifications for the transportation specific taxes that are addressed.

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Minnesota Department of Revenue

Tax Research Division

October 2025

**Major Updates to Transportation Related Taxes**

**Motor Vehicle Sales Tax ● Page 25**

−Rate changed to 6.875% in 2023.

* Flat Taxes in lieu of the 6.875% (updated from the previously incorrect 6.5% figure)

**Motor Fuels Excise Tax ● Page 28**

−2023: Tax rate indexed to the Minnesota Highway Construction Cost Index. Annual change cannot exceed 3%.

**Motor Vehicle Registration Tax ● Page 52**

−Tax on passenger vehicles increased to $10 plus 1.575% of base value.

−Depreciation schedule and minimum tax modified for passenger cars.

Depreciation schedule should now read as follows:

* + During the first year of vehicle life, upon 100 percent of the price;
  + 95 percent in the second year;
  + 90 percent in the third year;
  + 80 percent in the fourth year;
  + 70 percent in the fifth year;
  + 60 percent in the sixth year;
  + 50 percent in the seventh year;
  + 40 percent in the eighth year;
  + 25 percent in the ninth year; and
  + For the tenth year, ten percent of the price.
  + For the 11th year and each succeeding year, the amount must be calculated as $20.

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