

Calculating Vehicle License Tax for Alternative Fuel Vehicles



In accordance with [Arizona Revised Statute 28-5805](#), the vehicle license tax (VLT) for alternative fuel vehicles (AFV) is determined by when the vehicle is initially registered by its owner. AFVs registered in Arizona prior to Jan. 1, 2023, will pay a reduced VLT compared to non-alternative fuel vehicles.

In the examples below, the VLT is calculated using a vehicle with an MSRP of \$40,000. The MSRP of your vehicle may be different and additional registration and title fees may apply.

For AFVs registered prior to Jan. 1, 2022	For AFVs registered between Jan. 1-Dec. 31, 2022	For AFVs registered after Dec. 31, 2022
$\$40,000 \times .01 = \400	$\$40,000 \times .20 = \$8,000$	$\$40,000 \times .60 = \$24,000$
\$400 Year 1 assessed value	\$8,000 Year 1 assessed value	\$24,000 Year 1 assessed value
$\$400 \times 0.04 = \16 VLT rate due First Year	$\$8,000 \times 0.04 = \320 VLT rate due First Year	$\$24,000 \times 0.028 = \672 VLT rate due First Year
\$13.60 Second Year	\$272 Second Year	\$580.89 Second Year
\$11.56 Third Year	\$231.20 Third Year	\$486.50 Third Year
\$9.83 Fourth Year	\$196.52 Fourth Year	\$407.44 Fourth Year

IMPORTANT: Per state law, the VLT formula used is determined by registration date, which is different from the purchase date. A temporary registration permit issued by a vehicle dealer qualifies as the registration date, but must be issued before Jan. 1, 2022, for a vehicle to have its VLT calculated using the 1% formula. For private party sales, new title documentation must be processed by an MVD or an Authorized Third Party office before Jan. 1, 2022, for the vehicle to have its VLT calculated using the 1% formula. Note: MVD offices will be closed Friday, Dec. 31, 2021, in observance of the New Year's Day holiday.

Alternative fuel vehicles are defined as a vehicle that is powered by electricity, hydrogen, solar or natural gas/compressed natural gas/liquefied petroleum gas. This does not apply to hybrid vehicles.