

**LUXURY & FUEL INEFFICIENT SURCHARGE FAQ'S  
(LFIS) 8/06**

**Under what circumstances does the surcharge apply?**

The surcharge applies to **NEW** passenger vehicles whose gross sales/lease price is \$45,000 or more **and/or** whose average EPA mile per gallon (city and highway) is less than 19 MPG.

**I plan to purchase a new vehicle which costs \$20,000. Does the surcharge apply?**

If the average EPA mile per gallon is less than 19 MPG, and the vehicle is registered as a passenger vehicle (including Code 15 registrations), the surcharge applies.

**To what types of vehicles does the surcharge apply?**

The surcharge applies to **NEW** passenger vehicles, light trucks, SUV's or vans which meet the pricing/mileage criteria outlined above.

**I plan to purchase a used vehicle priced at \$50,000, does the surcharge apply?**

No, the surcharge applies to **NEW** passenger vehicles only.

**What if the new vehicle does not have an EPA MPG rating?**

The surcharge is not applicable.

**How much is the surcharge and how is it calculated?**

The surcharge of 0.4% is applied to the gross sales/lease price of the new passenger vehicle before trade-in or additional Handicapped Driver Adaptive Equipment.

**Are there any exemptions to the surcharge?**

The surcharge does not apply to passenger vehicles if, after deducting the cost of handicapped driver adaptive equipment, the gross sales/lease price is less than \$45,000; provided however, the vehicle's EPA MPG rating is not less than 19.

Passenger vehicles whose gross sales/lease price is equal to or greater than \$45,000 AND have an average EPA MPG rating of over 40. (Add both city and highway ratings and divide by 2).

Passenger vehicles certified as zero emission vehicles by the Commissioner of Environmental Protection.

Passenger vehicles that are titled and registered outside of New Jersey.

The surcharge does not apply to the following vehicles: Motorcycle, RV, ATV, Boat, School Bus, Dump Truck, Tractor, Trailer, Municipal, County, State or Federal Government Vehicles, Construction Vehicles, Commuter Van, Farm Use, Farm Truck, Omnibus/Taxi, or Limousine for commercial hire.