



## WYOMING LEGISLATIVE SERVICE OFFICE

# RESEARCH MEMORANDUM

## TRACTOR-TRAILER LICENSE AND REGISTRATION COSTS IN IDAHO, OKLAHOMA, AND WYOMING

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by

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### QUESTION:

How do license registration fees in Wyoming compare to the fees charged by Idaho and Oklahoma? Is there a residency requirement?

### SHORT ANSWER:

Oklahoma and Idaho encourage the registration of interstate tractor-trailers in their respective states by providing tractor-trailer licensing at a lower cost than Wyoming and offering permanent license plates.

### DISCUSSION:

The cost of licensing and registering a tractor-trailer in a state varies but is based upon two main types of fees that states assess. The first is the license and registration fee itself. This fee varies widely among the states. A second fee that states assess on tractor-trailers is an apportionment fee. Through an International Registration Plan agreement, this fee is the same among most states. However, exemptions found in state statutes can affect both the registration fees and apportionment fees charged by a state.

### *Idaho and Oklahoma License & Registration Fees:*

Licensing commercial trailers changed in Idaho beginning January 1, 2015,<sup>1</sup> when the state started offering permanent commercial tractor-trailer license plates for a flat fee of \$99, along with a \$4 administrative fee, and a \$3 license plate fee. This category of license will only expire when the

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<sup>1</sup> Idaho: Per Idaho Code (I.C.) §49-434 Motor Vehicle Registration Tractor Trailer Licensing.

owner of the trailer transfers ownership or cancels the license plate. Permanent trailer licenses are available for both Idaho resident trailers as well as non-Idaho trailers.<sup>2</sup> According to a Wyoming Department of Transportation (WYDOT) official, a significant number of Wyoming trailers have Idaho license plates.

Oklahoma has actively pursued attracting out-of-state commercial trucking companies to license commercial trailers in their state for several decades. See Appendix A for a news article in 1998 describing these efforts and touching on some of the concerns and motivations at that time. Their licensing structure is similar to Idaho in that the state authorizes registration for non-expiring license plates for commercial trailers at a flat rate of \$51 with a \$4 renewal rate which is available to both residents and non-residents.

Idaho and Oklahoma are not the only states with low-cost trailer registration fees as well as offering permanent license plates. A few examples are:

- Alabama – permanent trailer license plates fee of \$60;
- Michigan – trailers are registered with a permanent plate based on the unit's weight with the fees ranging from \$75 to \$300;
- Maine - offers eight-year and 12-year *semi-permanent* registration for trailers (fee of \$12 for each semitrailer, and a fee of \$5 for a trailer under 2,000 pounds gross vehicle weight. Maine also has a 20-year *semi-permanent* registration plate program for corporations applying for a minimum of 1,000 registrations in a year. They also have a *permanent* registration program for a person registering 20,000 or more semitrailers. Permanent defined in Maine as being 25 years which is not voided when a trailer title is transferred. The fee for each permanent registration is \$80.

### ***Wyoming License & Registration Fees:***

In Wyoming<sup>3</sup> the licensing differs in a couple of respects: the state does not offer permanent license plates and the registration fee structure consist of two parts: a *county* fee and a *state* fee. The county fee is based on value and the State fee is based on gross weight.

The county fee is a tax based on value. Specifically, the original Manufacture Suggested Retail Price (MRSP) as listed on the Wyoming title. This is not the blue book value, retail value, or purchase value, nor does it matter if the truck or trailer is purchased new or used. The truck and the trailer are registered separately. This fee structure is the same across all Wyoming counties regardless of which county a truck or tractor is registered. The county registering the trailer and

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<sup>2</sup> Non-residents must provide proof of current title.

<sup>3</sup> *Wyoming*: Per Wyo Stat §31-18-401 Commercial Vehicles: Registration and Exemptions

collects the fees keeps those fees.<sup>4</sup> The county fees are then distributed monthly to taxing entities in the same manner as all other property taxes. That means it's distributed in proportion to the county mill levy table.<sup>5</sup> Most trucks and trailers are registered through a county.<sup>6</sup> **Figure 1**, below presents the county fee structure.

**Figure 1. Wyoming County Vehicle Registration Fees<sup>7</sup>**

**County vehicle registration fees**

**Factory Cost x Year of Service Rate x .03 = County Fee**

The Factory Cost is the MSRP (Manufacturer's Suggested Retail Price or Sticker Price) of the make, model, and trim level of a vehicle when new. The Clerk's Office determines the factory cost and places it on titles.

Which Year of Service the vehicle is in determines the rate at which it's taxed, as follows:

1st Year:	60%
2nd Year:	50%
3rd Year:	40%
4th Year:	30%
5th Year:	20%
6th Year or More:	15%

In other words, a new vehicle is taxed at a rate of 60% and a vehicle 6 years or older is taxed at 15%. So, a new vehicle having a factory cost of \$20,000 would have a County Fee of:

**\$20000 x 60% x .03 = \$360.00**

Effective July 1, 2017

The State fee structure for trucks and trailers is different from that of the counties as state fees are based on *weight* instead of *value*. Another difference is the truck and the trailer are registered as a combination, meaning both the truck and the trailer together as a single unit. An example of the cost is: if a truck along with the trailer has a gross combined weight of about 80,000 pounds, at this weight the state fee will be \$907.50.<sup>8</sup> Appendix B provides the statutory fee structure.

It is important to note that trucks and trailers may be registered and license fees paid in any county clerk's office or at the state through WYDOT. Regardless of where the truck and trailer are licensed, both the county and the state fees are collected at the time of registration at which point the value fee will go to the county and the weight fee will to the state.

<sup>4</sup> Laramie County Treasurer, [https://www.laramiecounty.com/officials/CountyTreasurer/vehicle\\_registration.aspx](https://www.laramiecounty.com/officials/CountyTreasurer/vehicle_registration.aspx)

<sup>5</sup> Converse County Treasurer, <https://www.conversecounty.org/237/Registration-Fees>

<sup>6</sup> Per a WYDOT official

<sup>7</sup> [https://www.laramiecounty.com/officials/CountyTreasurer/vehicle\\_registration.aspx](https://www.laramiecounty.com/officials/CountyTreasurer/vehicle_registration.aspx)

<sup>8</sup> Per a WYDOT Motor Vehicle Services official

### ***Apportionment Use Fees:***

Trucks and tractor-trailers traveling or conducting business that crosses state lines are *interstate* trucks and trailers. Commercial interstate vehicles are considered to be “apportioned vehicles” which means (with exceptions as discussed below) “any power unit that is used or intended for use in two or more member jurisdictions (U.S. states and or Canadian territories) and that is used for the transportation of people for hire or designed, used, or maintained primarily for the transportation of property.”<sup>9</sup> These are vehicles having:

- two or more axles
- a combined weight exceeding 26,000 pounds, and
- are used in combination and the combination exceed 26,000 pounds gross vehicle weight.<sup>10</sup>

Historically, apportioned vehicles were required to have a license plate for each state they entered or traveled through. Trailers were required to display the plate of each state resulting in the back of some trailers being covered with license plates.<sup>11</sup> This method of licensing required trucking companies to contact, apply, and pay each state they entered into a yearly license fee for each vehicle. Both companies and states found this to be expensive, time consuming, cumbersome, and poorly adapted to the movement of commercial vehicles among states.<sup>12</sup>

In response, the International Registration Plan (IRP) was developed as a reciprocity agreement.<sup>13</sup> IRP truck and trailer fee payments are *apportioned* by miles and paid monthly. IRP truck and trailer fees are calculated based upon an *apportionment percentage*: “the ratio of the distance traveled in the member jurisdiction by a fleet during the reporting period to the distance traveled in all member jurisdictions by the fleet during the reporting period, calculated to six decimal places, rounded to 5 and multiplied by one hundred.”<sup>14</sup> The result creates an operational efficiency where trucks as well as trailers are no longer required to obtain a license for every state they enter or travel through. Additionally, the travel mileage fees for each state are collected and paid in a single payment amount to the state in which they are licensed. States in turn pay directly to the other state(s) the commercial vehicle’s portion of fees according to the miles traveled through a state.<sup>15</sup> For example, if a truck licensed in Wyoming travels 100,000 miles in Wyoming and 100,000 miles in Colorado in a month, the percentage (apportion) is 50/50 for each state. The trucking company will pay the entire fee amount for the 200,000 miles to Wyoming, through WYDOT and WYDOT in turn sends 50% of the fee paid to Colorado.

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<sup>9</sup> IRP dot.state.wy.us

<sup>10</sup> [http://www.dot.state.wy.us/home/trucking\\_commercial\\_vehicles/irp.html](http://www.dot.state.wy.us/home/trucking_commercial_vehicles/irp.html)

<sup>11</sup> Per WYDOT Motor Vehicle Services official

<sup>12</sup> Ibid.

<sup>13</sup> The IRP covers 48 states, the District of Columbia, and 10 Canadian provinces

<sup>14</sup> International Registration Plan, p.15. (January 1, 2019) [www.irpinc.org](http://www.irpinc.org)

<sup>15</sup> ITD.idaho.gov/itddmv/

***State Statutory Registration Exemptions:***

A final consideration in determining the cost of tractor-trailer license and registration fees and apportionment fees includes looking at each state's registration exemptions. Exemptions apply based on the type of vehicle or the specific vehicle use category. Exemptions vary by state and may result in lower registration fees as well as whether the truck/vehicle is considered apportionable for interstate use payments. Idaho, Oklahoma, and Wyoming all have registration exemptions based on the type of vehicle or the specific vehicle use category.

One type of exemption defines which types of vehicles are not *apportionable*, such as: passenger cars, school busses, government-owned vehicles, recreational vehicles, charter busses, and vehicles displaying a restricted license plate. Examples of restricted (license) plates are: farm plates, dealer plates, forestry plates, antique plates, transporter plates, and emergency-disaster plates. Each state or jurisdiction determines what constitutes a restricted license and may not be honored by all other jurisdictions. Wyoming Statute §31-18-201 provides registration exemptions and defines which types of vehicles meet registration exemptions and fall into specific categories such as temporary permits, single trip permits, and vehicles granted reciprocity

If you have any further questions, please do not hesitate to contact LSO Research/Evaluation at 777-7881.

## Appendix A: Tulsa World Article on Oklahoma Being Trailer “Registration Friendly”

Tulsa world NEWS

### Oklahoma undercuts states on big-rig tags

- Omer Gillham World Staff Writer
- Aug 23, 1998

Oklahoma's lawmakers don't have much room to complain when it comes to Sooners buying cheaper car tags in Oregon and Texas, an area truck driver said.

The Legislature passed a law in the 1980s making Oklahoma a “registration friendly” state for trucking companies across America. The Oklahoma law undercuts tag registration fees of big rigs in other states and has spawned commercial registration outfits here that make as much as \$500 for each vehicle they register. The Oklahoma Tax Commission's share is about \$450 per tractor-trailer.

Companies such as Interstate Carrier Services Inc. and PROCERT Inc. routinely place ads in trucker mailers, touting Oklahoma's low registration cost.

One Interstate ad reads: “Why Do So Many Motor Carriers Have Oklahoma Tags? No Sales Tax! No Personal Property Tax! CALL TODAY!”

“Sounds like Oregon, doesn't it?,” said Pat, an independent truck driver who asked to remain anonymous.

“The Legislature wants to whine about what's happening in Oregon and Texas when we're doing the same or worse. We don't have any room to talk.”

Oregon, which offers a \$15 license plate for passenger vehicles, knows of thousands of Oklahomans who have illegally registered vehicles there. Oregonians pay a pittance for car tags since their property taxes can be three times as much as they are here.

“We never intended to attract Oklahoma car registrations,” said Kathy Morse, with Oregon's motor vehicle division. “We're doing what we can to correct it.”

Oregon officials last year made a sweep of illegally registered vehicles at Tinker Air Force Base, finding an estimated 500 cars and trucks bearing Oregon tags illegally. Oregon and Oklahoma RV dealers use Oregon's tag law to attract business their way. Their ads are similar to the trucker registration ads found in big-rig mailers.

Lynn Barnes, owner of Interstate Carrier Services Inc., in Oklahoma City, has registered more than 1,000 tractor-trailers from trucking companies and independents outside Oklahoma. He supports Oklahoma's law to lure tractor-trailer registrations here because it pumps millions of dollars into Oklahoma's pocketbook.

“There was a move made in the `80s to establish Oklahoma as a trucking hub of America,” Barnes said. “To a greater degree that has happened.”

Other states such as Virginia and Texas have lowered fees they charge to register tractor-trailers in response to the Oklahoma law, Barnes added. “That's another positive for the trucking industry.”

George Tomek, executive director of the Oklahoma Trucking Association, agreed with Barnes that the law generates millions for Oklahoma's general fund. Tomek stressed the importance of the trucking industry to Oklahoma's economy.

“One in 10 jobs here is trucking related,” Tomek said. “That's something to keep in mind.”

The Oklahoma law has worked so well that Oklahoma leads the nation with Illinois in issuing base- tags for tractor-trailers from across the United States, according to the Oklahoma Tax Commission.

Oklahoma has an estimated 164,000 tractors and 197,000 trailers registered here, said OTC spokeswoman Paula Ross.

J.B. Hunt, Wal-Mart and Tyson Foods, three Arkansas companies with huge fleets of tractor-trailers, all register their big trucks here.

J.B. Hunt alone has 10,000 tractor-trailers all registered in Oklahoma but stationed at terminals across the United States. Wal-Mart and Tyson refused to provide registration figures.

The law allows Oklahoma to undercut Arkansas, Texas and other states by only charging \$10 for excise tax and lesser fees for base tags and trucking permits.

Registering a \$100,000 rig in Oklahoma averages about \$800 to \$1,200 compared to \$5,380 for the same tractor-trailer in Arkansas. Arkansas fees include \$705 for a base-tag and \$4,675 in sales tax and county taxes, according to the Arkansas motor vehicle division.

Oklahomans who pay as much as \$1,000 for excise tax and tag fees on new passenger cars ought to be angry that trucking companies get huge discounts on similar fees, Pat said.

“It just burns me up,” he said. “Let you and I ask for a break on excise tax or car registration fees and (lawmakers) act like they're deaf. But let Oklahoma see a chance to make money by selling the system down the river and they perk up.”

Arkansas probably will not follow suit with Oklahoma, which passed a law this year that punishes Sooners seeking out-of-state tags in Oregon or other states. The Arkansas Legislature does not want to lock horns with three huge retail and transport companies realizing huge savings by registering fleets here.

Meanwhile, independent truckers are fighting a 1997 law that would exclude them from being able to continue to register their tractor- trailers here. They are being represented by former Attorney General Larry Derryberry.

Omer Gillham can be reached at 581-8301.

Source: Gillham, Omer. Oklahoma undercuts states on big-rig tags. *Tulsa World*. (August 23, 1998)  
<http://Tulsaworld.com/archive>.

## Appendix B: State of Wyoming Truck and Tractor-trailer Registration Fee Structure

<b>Commercial vehicles for which the fees shall be computed based on gross vehicle weight or gross combination vehicle weight in pounds.</b>	
26,000 lbs. or less	\$198.00
26,001 – 28,000 lbs.	\$214.50
28,001 – 30,000 lbs.	\$231.00
30,001 – 32,000 lbs.	\$247.50
32,001 – 34,000 lbs.	\$275.00
34,001 – 36,000 lbs.	\$302.50
36,001 – 38,000 lbs.	\$330.00
38,001 – 40,000 lbs.	\$357.50
40,001 – 42,000 lbs.	\$385.00
42,001 – 44,000 lbs.	\$412.50
44,001 – 46,000 lbs.	\$440.00
46,001 – 48,000 lbs.	\$467.50
48,001 – 50,000 lbs.	\$495.00
50,001 – 52,000 lbs.	\$522.50
52,001 – 54,000 lbs.	\$550.00
54,001 – 55,000 lbs.	\$563.75
55,001 – 56,000 lbs.	\$577.50
56,001 – 58,000 lbs.	\$605.00
58,001 – 60,000 lbs.	\$632.50

60,001 – 62,000 lbs.	\$660.00
62,001 – 64,000 lbs.	\$687.50
64,001 – 66,000 lbs.	\$715.00
66,001 – 68,000 lbs.	\$742.50
68,001 – 70,000 lbs.	\$770.00
70,001 – 72,000 lbs.	\$797.50
72,001 – 74,000 lbs.	\$825.00
74,001 – 76,000 lbs.	\$852.50
76,001 – 78,000 lbs.	\$880.00
78,001 – 80,000 lbs.	\$907.50
<p><b>For weights over eighty thousand (80,000) pounds, the fee shall be nine hundred forty-eight dollars and seventy-five cents (\$948.75) for each additional two thousand (2,000) pounds or fraction thereof.</b></p>	

Source: Wyo. Stat. §31-18-401 Effective July 1, 2017.