

Commonwealth of Kentucky  
Finance and Administration Cabinet  
Department of Revenue  
**Office of Property Valuation**  
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**MEMORANDUM**

**To:** Property Valuation Administrators  
Field Representatives  
Property Tax, State Valuation

**From:** Kellie Lang, Motax Section Supervisor

**Re:** January 1, 2010 NADA Assessment Values

**Date:** January 4, 2010

This memo is being sent as a reminder of a potential increase of some NADA Assessment Values for the 2010 vehicle property taxes. As was presented at the PVA Fall 09 Conference by the Representative from NADA, Doug Ott, due to various market factors, the values in January 2010 for some vehicle segments—light-duty trucks, CUVs and SUVs—may actually be higher than in January 2009.

The values have risen due to increased demand and diminished supply, caused by a number of factors, including:

- Volatile gas prices stabilized in early 2009, compared to an unprecedented national average of over \$4.50/gallon in mid to late 2008. As gas prices fell, renewed consumer interest in the above segments increased demand, even while supply remained static or, in some cases, fell.
- Demand on the wholesale side has been strong. Traditionally, dealers relied on trade-ins for their used vehicle inventory. However, lower than average trade-in volume, driven by a lower supply of leased returns and sluggish new vehicle sales, has sent record numbers of dealers to auction to secure used vehicles. Increased demand for fewer units has created higher wholesale prices.
- In addition, market events such as the credit crisis, limited manufacturer incentives, curtailed new vehicle production and the Cash for Clunkers program have all contributed to increased demand at the wholesale level.
- Elevated prices on the wholesale side eventually translated into higher retail values. Fewer used vehicles in the supply chain caused used car prices to rise as demand rebounded, especially in the light truck and SUV and CUV segments.

Increased assessments may result in a higher number of calls from taxpayers. If you have any questions or need more information from NADA, please contact the NADA Account Executive for the Government segment, Doug Ott at [dott@nada.org](mailto:dott@nada.org) or 800-248-8232 x4710.

Just as a reminder, refer to the Section VII "Adjustments to NADA Value" of the Motax User's Manual before performing any value adjustments to the defined NADA values. Please feel free to share this information with the taxpayers that may inquire concerning their 2010 assessments. As always, you are welcome to call the Motor Vehicle Property Tax Section at 502-564-8180.

**PLEASE CHECK THE NADA GUIDEBOOK BEFORE LOWERING ASSESSMENTS.**