

# How to calculate hidden costs while buying a car?

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**Hollywood, MD** - The celebrations of Thanksgiving and the upcoming preparation of Christmas can leave you with little or no time for sorting your shopping list. When you start with car shopping, it can be easy to get excited by the new models in the dealership lot. A sunroof and plush leather seats are great features that make a car luxurious. However, if you are realistic, you would focus on greater fuel efficiency and a car big enough to encompass your whole family. Always remember the direct relation that your automobile choice will have on your monthly payments. Many of the online cars selling websites suggest that you should spend only 20% of your take-home income on monthly payments.

## **Car Related Costs that increases your Expenses!**

### **Maintenance Woes: Is a Used Car Worth it?**

The lingering question in any car buyer's mind is whether to go for a used car or a new car. You should consider the maintenance costs, which are usually higher for a used car than a new car. The elements that make up maintenance costs are largely dependent on the availability of the car parts and the type of automobile. Internet portals can help you in calculating the approximate maintenance charges based on the make, model and year of production. Moreover, a used car is comfortable on your pocket but is costly to maintain in the long run.

### **Registrations & Taxes: Is there a way to estimate?**

Although registration and title fees are not hidden costs they may be unknown to a first-time car buyer. Also, registration fees appear to be minimal but they occupy a significant share in the total car expenditure. Every state levies different sales taxes on the purchase of a car. Additionally, the price of the car also plays a role in deciding the payable tax amount. For instance, the sales tax in Connecticut is 6.35 percent. It is 7.75 percent for vehicles costing above \$50,000. Taxes on out-of-state vehicles are adjusted according to the state in which you purchase the car. Keeping check of the registration fees and sales tax will go a long way in correctly estimating your costs.

### **Fuel & Parking Spots: Insignificant or Worthy?**

Many people overlook the recurring charges of fuel and parking that increase your costs. Finding a safe spot to park your vehicle in New York can be as costly as the amount of rent in Florida. You should decide your vehicle by looking for the estimated miles per gallon and ascertaining the estimated annual fuel cost. Some vehicles may burn fuel more quickly than other fuel-efficient cars. Your cost is also affected by the state you live in. One gallon of gas in California will cost you more than one gallon of gas in Texas. Thus, in your calculation of budgeted payments, do not miss out on garage and fuel costs.

### **See the Bigger Picture: Consider All Car Related Costs in Advance**

Various costs are included in a car purchase apart from the regular interest rates, down payment and price of the car. Looking beyond the micro expenses will help you to correctly understand the money that will go out of your pocket over the long run. Be aware of the different attached costs and better your experience of buying your dream car.

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