

# MAINE STATE LEGISLATURE

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SMG

Date: 1/27/10

(Filing No. H-592)

Minority

TAXATION

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STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
124TH LEGISLATURE  
SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 160, L.D. 195, Bill, "An Act To Base the Excise Tax on Vehicles on a Percentage of the Manufacturer's Suggested Retail Price"

Amend the bill in section 2 in the last line (page 1, line 33 in L.D.) by striking out the following: "2009." and inserting the following: '2010.'

Amend the bill by inserting after section 2 the following:

'Sec. 3. Appropriations and allocations. The following appropriations and allocations are made.

SECRETARY OF STATE, DEPARTMENT OF  
Municipal Excise Tax Reimbursement Fund 0871

Initiative: Deallocates funds by changing the method by which municipalities are reimbursed through the Municipal Excise Tax Reimbursement Fund.

<b>OTHER SPECIAL REVENUE FUNDS</b>	<b>2009-10</b>	<b>2010-11</b>
All Other	\$0	(\$126,405)
<b>OTHER SPECIAL REVENUE FUNDS TOTAL</b>	<hr/> \$0	<hr/> (\$126,405)

SUMMARY

This amendment is the minority report. This amendment changes the application date from October 1, 2009 to October 1, 2010. The amendment also adds an appropriations and allocations section.

FISCAL NOTE REQUIRED  
(See attached)

COMMITTEE AMENDMENT



# 124th MAINE LEGISLATURE

LD 195

LR 286(02)

## An Act To Base the Excise Tax on Vehicles on a Percentage of the Manufacturer's Suggested Retail Price

Fiscal Note for Bill as Amended by Committee Amendment "A"

Committee: Taxation

Fiscal Note Required: Yes

### Fiscal Note

	2009-10	2010-11	Projections 2011-12	Projections 2012-13
<b>Net Cost (Savings)</b>				
General Fund	\$0	\$31,714	\$31,714	\$31,714
Highway Fund	\$0	(\$126,405)	(\$126,405)	(\$126,405)
<b>Appropriations/Allocations</b>				
Other Special Revenue Funds	\$0	(\$126,405)	(\$126,405)	(\$126,405)
<b>Revenue</b>				
General Fund	\$0	(\$31,714)	(\$31,714)	(\$31,714)
Highway Fund	\$0	\$126,405	\$126,405	\$126,405
Other Special Revenue Funds	\$0	(\$107,237)	(\$139,408)	(\$181,231)

### Fiscal Detail and Notes

This bill proposes to reduce excise tax payments paid on motor vehicles to 90% of the manufacturer's suggested retail price. It will result in a decrease in General Fund revenue of \$31,714 beginning in fiscal year 2010-11 related to excise tax paid by out of state residents. It will also allow an Other Special Revenue Funds deallocation to the Secretary of State of \$126,405 beginning in fiscal year 2010-11 since reimbursement to municipalities through the Municipal Excise Tax Reimbursement Fund will be decreased. Under current statute, the amount remaining in this Fund at the end of the year is transferred to the Highway Fund. Since payments deposited into the Municipal Excise Tax Reimbursement Fund through the International Registration Plan will not change under this legislation, but the reimbursement to municipalities will decrease, the amount transferred to the Highway Fund will increase Highway Fund revenues by \$126,405 beginning in fiscal year 2010-11. This bill will reduce motor vehicle excise tax revenues by 10% for unorganized territories and municipalities.