

# MAINE STATE LEGISLATURE

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# 124th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2009

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Legislative Document

No. 974

I.B. 1

House of Representatives, March 10, 2009

### **An Act To Decrease the Automobile Excise Tax and Promote Energy Efficiency**

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Transmitted to the Clerk of the 124th Maine Legislature by the Secretary of State on March 4, 2009, and ordered printed.

*Millicent M. MacFarland*  
MILLICENT M. MacFARLAND  
Clerk

1 **Be it enacted by the People of the State of Maine as follows:**

2 **Sec. 1. 36 MRSA §1482, sub-§1, ¶C**, as amended by PL 2001, c. 671, §32, is  
3 further amended to read:

4 C. For the privilege of operating a motor vehicle or camper trailer on the public  
5 ways, each motor vehicle, other than a stock race car, or each camper trailer to be so  
6 operated is subject to excise tax as follows, except as specified in ~~subparagraph~~  
7 subparagraphs (3) and (4): a sum equal to 24 12 mills on each dollar of the maker's  
8 list price for the first or current year of model, 17 1/2 8 mills for the 2nd year, 13 1/2  
9 and 4 mills for the 3rd year, 10 mills for the 4th year, 6 1/2 mills for the 5th year and  
10 4 mills for the 6th and succeeding years. The minimum tax is \$5 for a motor vehicle  
11 other than a bicycle with motor attached, \$2.50 for a bicycle with motor attached, \$15  
12 for a camper trailer other than a tent trailer and \$5 for a tent trailer. The excise tax on  
13 a stock race car is \$5.

14 (1) On new registrations of automobiles, trucks and truck tractors, the excise tax  
15 payment must be made prior to registration and is for a one-year period from the  
16 date of registration.

17 (2) Vehicles registered under the International Registration Plan are subject to  
18 an excise tax determined on a monthly proration basis if their registration period  
19 is less than 12 months.

20 (3) For commercial vehicles manufactured in model year 1996 and after, the  
21 amount of excise tax due for trucks or truck tractors registered for more than  
22 26,000 pounds and for Class A special mobile equipment, as defined in Title 29-  
23 A, section 101, subsection 70, is based on the purchase price in the original year  
24 of title rather than on the list price. Verification of purchase price for the  
25 application of excise tax is determined by the initial bill of sale or the state sales  
26 tax document provided at point of purchase. The initial bill of sale is that issued  
27 by the dealer to the initial purchaser of a new vehicle.

28 (4) For the first 3 model years of a hybrid gasoline-electric vehicle, a fuel-cell-  
29 fueled or hydrogen-fueled vehicle or a vehicle with a highway fuel economy  
30 estimate of at least 40 miles per gallon as tested by the United States  
31 Environmental Protection Agency there is no excise tax imposed. For the 4th and  
32 succeeding model years of the vehicle, the excise tax due is a sum equal to 4  
33 mills on each dollar of the maker's list price.

34 For motor vehicles being registered pursuant to Title 29-A, section 405, subsection 1,  
35 paragraph C, the excise tax must be prorated for the number of months in the  
36 registration.

37 **Sec. 2. 36 MRSA §1752, sub-§1-G**, as enacted by PL 1997, c. 791, Pt. A, §1, is  
38 repealed.

39 **Sec. 3. 36 MRSA §1760, sub-§79-A** is enacted to read:

40 79-A. Clean fuel vehicles. The sale or lease price of a new hybrid gasoline-electric  
41 vehicle, a fuel-cell-fueled or hydrogen-fueled vehicle or a vehicle with a highway fuel

1 economy estimate of at least 40 miles per gallon as tested by the United States  
2 Environmental Protection Agency.

3 **SUMMARY**

4 This bill decreases the excise tax imposed on motor vehicles for the first year from 24  
5 mills to 12 mills, for the 2nd year from 17 1/2 mills to 8 mills and for the 3rd year from  
6 13 1/2 mills to 4 mills and imposes a 4 mills rate for the 4th and succeeding years. This  
7 bill also exempts from the excise tax imposed on motor vehicles the first 3 model years of  
8 a hybrid gasoline-electric vehicle, a fuel-cell-fueled or hydrogen-fueled vehicle or a  
9 highly energy efficient vehicle that has a highway fuel economy estimate of at least 40  
10 miles to the gallon. After the first 3 years, the rate of excise tax is the same as on other  
11 motor vehicles of the same age.

12 This bill also exempts from the sales tax 100% of the sale or lease price of a new  
13 hybrid gasoline-electric vehicle, a fuel-cell-fueled or hydrogen-fueled vehicle or a vehicle  
14 with a highway fuel economy estimate of at least 40 miles per gallon.