

MAINE STATE LEGISLATURE

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Date: 6/15/15

(Filing No. S-258)

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STATE OF MAINE
SENATE
127TH LEGISLATURE
FIRST REGULAR SESSION

SENATE AMENDMENT "A" to COMMITTEE AMENDMENT "A" to H.P. 77, L.D. 94, Bill, "An Act To Base the Excise Tax Imposed on the Purchase of a Motor Vehicle on the Price Paid"

Amend the amendment by striking out the substitute title and replacing it with the following:

'An Act To Reduce the Excise Tax Imposed on New Vehicles'

Amend the amendment in section 1 in paragraph C by striking out all of the first paragraph (page 1, lines 17 to 27 in amendment) and inserting the following:

'C. For the privilege of operating a motor vehicle or camper trailer on the public ways, each motor vehicle, other than a stock race car, or each camper trailer to be so operated is subject to excise tax as follows, except as specified in subparagraph (3), (4) or (5): a sum equal to 24 mills on each dollar of the ~~maker's list purchase price for the first or current year of model, a new motor vehicle; and a sum equal to~~ 17 1/2 mills on each dollar of the maker's list price for the 2nd year of model, 13 1/2 mills for the 3rd year, 10 mills for the 4th year, 6 1/2 mills for the 5th year and 4 mills for the 6th and succeeding years. The minimum tax is \$5 for a motor vehicle other than a bicycle with motor attached, \$2.50 for a bicycle with motor attached, \$15 for a camper trailer other than a tent trailer and \$5 for a tent trailer. The excise tax on a stock race car is \$5. As used in this paragraph, "new motor vehicle" means a motor vehicle that is covered by a manufacturer's new car warranty and that has not been previously registered.'

SUMMARY

This amendment removes the provision of Committee Amendment "A" that imposed the motor vehicle excise tax on 90% of the maker's list price and instead provides that for new vehicles for the first year of registration only, the excise tax is based on the purchase price of the motor vehicle.

SENATE AMENDMENT "A" to COMMITTEE AMENDMENT "A" to H.P. 77, L.D. 94

1 For the 2nd and subsequent years, the excise tax is based on the maker's list price. A
2 new motor vehicle means one that has not been previously registered and that is covered
3 by a manufacturer's new car warranty.

4 SPONSORED BY: Saville

5 (Senator SAVIELLO)

6 COUNTY: Franklin

ROFS

Approved: 06/13/15 *MBC*



127th MAINE LEGISLATURE

LD 94

LR 152(03)

An Act To Base the Excise Tax Imposed on the Purchase of a Motor Vehicle on the Price Paid

Fiscal Note for Senate Amendment "A" to Committee Amendment "A" (S-258)

Sponsor: Sen. Saviello of Franklin

Fiscal Note Required: Yes

Fiscal Note

	FY 2015-16	FY 2016-17	Projections FY 2017-18	Projections FY 2018-19
Net Cost (Savings)				
General Fund	\$0	(\$15,000)	(\$30,000)	(\$30,000)
Highway Fund	\$0	\$0	\$130,000	\$260,000
Appropriations/Allocations				
Other Special Revenue Funds	\$0	\$0	\$130,000	\$260,000
Revenue				
General Fund	\$0	\$15,000	\$30,000	\$30,000
Highway Fund	\$0	\$0	(\$130,000)	(\$260,000)
Other Special Revenue Funds	\$0	\$66,500	\$133,000	\$133,000

Fiscal Detail and Notes

This amendment removes the provision of committee amendment "A" that imposed the motor vehicle excise tax on 90% of the maker's list price and instead provides that for new vehicles for the first year of registration only, the excise tax is based on the purchase price. Subsequent years revert back to the maker's list price. Any General Fund revenue loss related to out-of-state vehicles and any Other Special Revenue Funds revenue loss related to collections in the unorganized territories would be minor. Therefore, the revenue loss shown in the committee amendment is added back in this incremental fiscal note. Likewise, there would be no additional transfer to the Highway Fund, so the additional revenue shown in the committee amendment has been reversed. Finally, there would be no corresponding reduction in Other Special Revenue Funds allocation and that allocation has been added back as well.

Excise tax to municipalities is expected to decrease by \$4,300,000 with this amendment added versus the \$21,000,000 decrease created by the committee amendment.