

MAINE STATE LEGISLATURE

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March 9, 1948

To Alexander Netefor, Department Service Officer,
Veterans of Foreign Wars
Re: Tax on Amputee Automobiles

I have your letter of March 4th, in which you state that the question has come before you as to when or at what stage funds received by a claimant as Veterans Administration benefits are or become taxable. You add that of course there is a general exemption from taxation of VA benefits provided by Section 3, Public No. 262, 74th Congress, approved August 12, 1935, but that you are wondering whether or not automobiles or other conveyances paid for by the VA on behalf of disabled veterans under Public No. 663, 79th Congress are taxable by the State of Maine. . . .

Under our statute, before an automobile can be registered in the State of Maine, an excise tax must be paid thereon in the municipality where the owner resides. In this respect the provisions of Section 38 of Chapter 19, Revised Statutes of Maine, are that an excise shall be levied annually with respect to each calendar year for the privilege of operating upon the public ways on each motor vehicle to be so operated, subject to the provisions of Section 44, etc., etc.

Then among the exemptions under this section is the following: "the vehicles of charitable, benevolent, literary, and scientific organizations which are used exclusively in carrying on charitable, benevolent, literary, or scientific work in this state, etc."

If the vehicles in question are owned by the VA, as provided in this exemption, of course they will be exempt from the excise tax; but if a vehicle is owned by a veteran, it is my opinion that this exemption in Section 38 of Chapter 19 is not broad enough to cover the veteran himself, because he would be unable to register his motor vehicle until he had displayed a receipt for the payment of his excise tax or a waiver thereof by some State official in authority.

Therefore, in order to secure an exemption for a veteran who owns an automobile or other conveyance paid for by the VA on behalf of said disabled veteran, Section 38 of Chapter 19, R.S., would have to be amended by the legislature to include automobiles owned by veterans but purchased by funds under VA, as provided by Public No. 663, 79th Congress, on behalf of disabled veterans.

This opinion might be different if the VA owned the automobile and it was being used for a charitable and benevolent purpose; but under our statute payment of the excise tax exempts the motor vehicle from other taxation in this State. . I agree. . that crippled veterans using these conveyances should not be taxed by the State or any subdivision thereof. Taxes should not be assessed against them and they are not assessed against them, except that, as I said at the beginning of this letter, an excise tax receipt is a prerequisite to registration.

Ralph W. Farris
Attorney General