

MAINE STATE LEGISLATURE

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FIRST SPECIAL SESSION

ONE HUNDRED AND SEVENTH LEGISLATURE

Legislative Document

No. 2176

H. P. 1995

House of Representatives, February 4, 1976

Referred to the Committee on Taxation. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Mr. Susi of Pittsfield.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-SIX

AN ACT Providing for the Collection of Motor Vehicle Use Taxes.

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

Sec. 1. 29 MRSA § 55-B, as enacted by PL 1971, c. 109, is repealed and the following enacted in place thereof:

§ 55-B. Payment of fees or taxes resulting in protest; suspension

Whenever the payment of any fee or fees required by this Title results in a protest or is returned by the bank upon which it was drawn because of "insufficient funds," "account closed," "no account" or any other similar reason, the Secretary of State, or any deputy or agent thereof, shall promptly mail a notice of dishonor, as defined in Title 11, section 3-508, to the person liable for the payment of such fee or fees, demanding payment thereof. If such person fails to pay such fee or fees within 10 days after the mailing of such notice, the Secretary of State shall forthwith suspend any license, permit, certificate or plates issued for such dishonored instrument.

Whenever the payment of any excise tax or use tax required to be collected by the Secretary of State under Title 36, chapter 111 or chapter 212, results in a protest or is returned by the bank upon which it was drawn because of "insufficient funds," "account closed," "no account" or any other similar reason, the Secretary of State, or any deputy or agent thereof, shall promptly mail a notice of dishonor, as defined in Title 11, section 3-508, to the person in whose name the vehicle is registered, demanding payment of such excise tax or use tax. If such person fails to pay the amount of tax due within 10 days after the mailing of such notice, the Secretary of State

shall forthwith suspend the registration certificate and plates issued for such vehicle in respect to which the excise tax or use tax remains unpaid.

Sec. 2. 29 MRSA § 57-A is enacted to read:

§ 57-A. Reports of records

Reports of records pertaining to convictions, accidents, suspensions, revocations and other information required by commercial users shall be furnished by the Secretary of State at a fee of \$2 for each request upon receipt of such request from an individual, insurance company or other party requiring such information. This section shall not apply to other motor vehicle departments, state, county and federal agencies and law enforcement agencies. Certified copies shall be \$1 additional.

The Secretary of State may upon request furnish information from any of his other records at the expense of those making the request.

Sec. 3. 29 MRSA §§ 109-A to 109-C are enacted to read:

§ 109-A. Payment of sales or use tax a prerequisite to registration

No application for registration shall be granted in respect to any motor vehicle, mobile home or camp trailer whose sale or use is subject to tax under Title 36, chapters 211 to 225, except in the case of a registration by the same owner, unless and until the applicant submits proof, in accordance with section 109-B, that such tax has been paid or that no such tax is due.

§ 109-B. Proof required

The proof required by section 109-A shall consist of either of the following certificates:

1. Dealers' certificates. A dealer's certificate, in a form prescribed by the State Tax Assessor, showing that the sales tax due in respect to any motor vehicle, mobile home or camp trailer has been collected by the dealer thereof; or
2. Use tax certificate. A properly executed and validated use tax certificate, issued pursuant to Title 36, section 1785, showing either that such tax has been paid in full or that the sale or use of the motor vehicle, mobile home or camp trailer in question is exempt from or otherwise not subject to tax under Title 36, chapters 211 to 225.

§ 109-C. Certificates to be forwarded to the State Tax Assessor

Upon receipt by the Secretary of State, or any deputy or agent thereof, of any certificate submitted in accordance with sections 109-A and 109-B, that official shall immediately forward such certificate to the State Tax Assessor.

Sec. 4. 36 MRSA c. 212 is enacted to read:

CHAPTER 212

COLLECTION OF TAX ON VEHICLES

§ 1781. Definitions

As used in this chapter, unless the context otherwise indicates, the following words shall have the following meanings.

1. Collector. "Collector" shall mean any person required by section 1782 to collect the use tax due in respect to any vehicle.

2. Original registration. "Original registration" shall mean any registration other than a renewal of registration by the same owner.

3. Vehicle. "Vehicle" shall mean any motor vehicle, mobile home or camp trailer as those terms are defined in section 1481.

§ 1782. Collection

State, county, municipal and tribal officials, or any designated agents thereof, responsible for the collection of the excise tax under chapter 111, shall act as agents of the State Tax Assessor to determine and collect the use tax due in respect to any vehicle for which an original registration is required under Title 29, section 102.

It shall be the duty of each such official to determine and compute the amount of use tax due in respect to any such vehicle under chapters 211 to 225 and to collect such amount unless a dealer's certificate, showing full payment of the sales tax due, is submitted in such form as may be prescribed by the State Tax Assessor.

Each collector, other than the Secretary of State, after deducting a collection fee of \$3 for each vehicle upon which the use tax has been collected, shall, on or before the 15th day of each month, unless otherwise provided by regulation of the State Tax Assessor, remit to the State Tax Assessor all funds collected during the previous month pursuant to this chapter and shall follow such procedures and keep such records as prescribed by the State Tax Assessor.

All taxes collected by the Secretary of State pursuant to this chapter shall be transmitted forthwith to the Treasurer of State and credited to the General Fund.

§ 1783. Crediting and apportionment of collection fees; reports and deposits

All collection fees received pursuant to section 1782 shall be credited and apportioned or disbursed in the same manner as excise taxes collected under chapter 111, provided that in municipalities the treasurer shall credit money received from collection fees to a collection fee account.

Reports showing the amount of collection fees received and deposits of such fees shall be made in the same manner as the reports and deposits required under section 1487 with respect to excise taxes.

§ 1784. Powers and duties of the State Tax Assessor

The State Tax Assessor is authorized to prescribe and enforce such rules and regulations, not inconsistent with this chapter, as he may deem necessary to carry out this chapter.

The provisions of this chapter shall be construed as cumulative of other methods prescribed in chapters 211 to 225 for the collection of the sales or use tax. Nothing herein shall be construed as precluding the State Tax Assessor from collecting the tax due in respect to any vehicle in accordance with such other methods as are prescribed in chapters 211 to 225 for the collection of the sales or use tax.

§ 1785. Collector to issue certificate

Upon completion and signature of a use tax certificate, in such form as may be prescribed by the State Tax Assessor and payment of the use tax due in respect to any vehicle, the collector shall validate such certificate, in such a manner as to indicate payment of the tax in full, and issue it forthwith to the taxpayer.

Whenever the sale or use of a vehicle is claimed to be exempt from or otherwise not subject to tax under chapters 211 to 225, the collector shall require the person making such claim to complete and sign a use tax certificate, in a form prescribed by the State Tax Assessor, fully setting forth the grounds upon which such claim is predicated.

If, upon examination of the use tax certificate, the collector is satisfied that the sale or use is exempt from or otherwise not subject to the tax, he shall validate such certificate and issue it forthwith to the person who completed such certificate. If, upon examination of the certificate, the collector is not satisfied that the sale or use is exempt from or otherwise not subject to the tax, he shall proceed to determine and collect the tax in accordance with section 1782.

§ 1786. Assessment by State Tax Assessor

In the event of a dispute as to the correct amount of tax, any person aggrieved by the collector's determination of the tax may request the State Tax Assessor to ascertain and assess the correct amount of tax to be paid. Upon receipt of such a request, the State Tax Assessor shall ascertain and assess the taxes due the State and give notice of such assessment to the person liable for the payment of the tax.

Sec. 5. 36 MRSA § 1955, as last amended by PL 1965, c. 196, § 4, is repealed and the following enacted in place thereof:

§ 1955. Deficiency assessment

After a report is filed under chapters 211 to 225, or after a certificate is forwarded under Title 29, section 109-C, the State Tax Assessor shall cause the same to be examined, and may make such further audits or investigations as he may deem necessary and if therefrom he shall determine that there is a deficiency with respect to the payment of any tax due under chap-

ters 211 to 225, he shall assess the taxes and interest due the State, give notice of such assessment to the person liable and make demand upon him for payment, but no such assessment can be made after 2 years from the date the transactions upon which liability is based were required to be reported.

Sec. 6. Appropriation. There is removed from the appropriation to the Bureau of Taxation for the fiscal year 1976-77 the sum of (\$30,000) which represents a reduction in personal services and other costs as follows:

1976-77

FINANCE AND ADMINISTRATION, DEPARTMENT OF

Bureau of Taxation	
Personal Services	(3) (\$25,000)
All Other	(5,000)
	<hr/>
	(\$30,000)

FISCAL NOTE

The overall fiscal impact of the program is to diminish state expenditures, maintain the current revenue situation and provide municipalities with an attractive revenue source.

STATEMENT OF FACT

This proposal would require that individuals in the process of registering a motor vehicle would be required to show proof of sales or use tax payment. In the case where the purchase of the motor vehicle, mobile home or camp trailer was through casual sale or from an out-of-state dealer the use tax would be paid to local excise tax collector at the time the excise tax is paid. The municipalities would retain a commission for collection.

This proposal would result in reduced collection costs and additional municipal revenue. It would significantly improve the equity of the use tax as applied to casual sales or out-of-state sales of motor vehicles.