

# MAINE STATE LEGISLATURE

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ONE HUNDRED AND EIGHTH LEGISLATURE

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Legislative Document

No. 1537

H. P. 1290

House of Representatives, April 11, 1977

Referred to Committee on Taxation. Sent up for concurrence and 2,000 ordered printed.

EDWIN H. PERT, Clerk

Presented by Mr. Jackson of Yarmouth.

Cosponsors: Mr. Greenlaw of Stonington, Ms. Clark of Freeport, Mrs. Trafton of Auburn.

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STATE OF MAINE

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IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
SEVENTY-SEVEN

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AN ACT to Provide for a Local Excise Tax on Watercraft.

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

Sec. 1. 36 MRSA § 655, sub-§ 1, ¶ P is enacted to read:

P. Watercraft which shall mean any type of vessel, boat or craft used or capable of being used as a means of transportation on water, other than a seaplane, required to be registered in Maine which is less than 65 feet in length and includes the motor attached to it and used to propel it.

Sec. 2. 36 MRSA § 1492 is enacted to read:

§ 1492. Municipal excise taxes on watercraft

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

A. "Length" shall be stated in feet and inches and defined as the straight line measurement over the deck, excluding sheer, from the foremost part of the watercraft to the aftermost part, measured parallel to the center line, excluding outboard motors, brackets, bowsprits, boomkins, rudders and similar attachments.

B. "Lifeboats" or "life rafts" shall be defined as watercraft customarily carried or required to be carried by a larger vessel for purposes of rescuing the occupants of the vessel in case of danger.

C. "Watercraft" shall be defined as any type of vessel, boat or craft used or being used as a means of transportation on water, other than a seaplane, required to be registered in Maine and less than 65 feet in length and includes the motor attached to it and used to propel it.

D. "Year" shall refer to the fiscal year beginning April 1st.

2. Excise tax. An excise tax shall be levied annually on April 1st on all watercraft, except those exempt by section 4.

3. Computation. The excise tax on all watercraft subject to such tax under this section shall be computed annually as follows:

A. For any watercraft less than 12 feet in length	\$ 5
B. For any watercraft 12 feet or more, but less than 16 feet in length	15
C. For any watercraft 16 feet or more, but less than 20 feet in length	25
D. For any watercraft 20 feet or more, but less than 26 feet in length	35
E. For any watercraft 26 feet or more, but less than 30 feet in length	45
F. For any watercraft 30 feet or more, but less than 36 feet in length	55
G. For any watercraft 36 feet or more, but less than 40 feet in length	65
H. For any watercraft 40 feet or more, but less than 50 feet in length	75
I. For any watercraft 50 feet or more, but less than 65 feet in length	100

4. Exemptions. The following shall be exempt from excise tax:

A. Lifeboats or life rafts; and

B. Watercraft held by registered retailers as demonstrators or stock-in-trade.

5. Where paid. The excise tax shall be paid in the case of a Maine resident in the place where he resides, or in the case of a Maine resident of an unorganized area to the Bureau of Taxation, or in the case of a nonresident registering or documenting watercraft in Maine in the place where the watercraft is located on April 1st.

6. Exemption from further taxation. Watercraft owners who have paid the excise tax on their watercraft as provided for in this section shall be exempt from further or other municipal taxation for that year on the watercraft.

7. Collection. The excise tax shall be collected by the tax collector.

8. Enforcement. The tax collector, within 3 years after the due date of an excise tax unpaid under this section, may bring an action in a District Court within the district where the excise tax was levied to recover the excise tax due and unpaid, providing that demand for payment has been sent to the taxpayer at his last known address within 60 days of the tax due date and payment was not made within 30 days from the sending of the demand.

9. **Disposition of tax.** All excise tax fees collected shall be retained by the municipality.

10. **Tax not prerequisite for registration.** Payment of the excise tax shall not be a prerequisite for registration of a watercraft.

### STATEMENT OF FACT

The personal property tax on boats is not uniformly applied and there is a wide disparity between towns in watercraft assessment. The problems of watercraft assessment result from the absence of uniform guidelines to value watercraft. Also, with 120,000 boats registered in Maine, it is impossible in most towns for assessors to view and value each boat. Total revenue to municipalities from watercraft taxation is about \$1,000,000, statewide. The revenue collected as a percentage of each town's total collections for municipal purposes is generally quite low, 1% or less. In some coastal communities, however, the taxes collected are a large share of local revenues. No state General Fund revenues will be lost.

The taxation of watercraft is detrimental to the boatyard business and the boating industry because of the absence of uniformity among the towns as well as putting them in a disadvantageous position in relation to other coastal New England states.

In addition to variations in assessments from town to town, mill rates vary, compounding the inequity. The tax on a boat valued at \$1,000 assuming full valuation, can vary from \$8.60 to \$596.

This bill repeals the personal property tax on boats and replaces it with a municipal excise tax that is fair, uniform and easy to administer.