

MAINE STATE LEGISLATURE

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ONE HUNDRED AND EIGHTH LEGISLATURE

Legislative Document

No. 1637

S. P. 463

In Senate, April 19, 1977

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

MAY M. ROSS, Secretary

Presented by Senator Usher of Cumberland.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-SEVEN

AN ACT Concerning Excise Tax on Boats and Motors.

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. All watercraft, motors and trailers on which an excise tax is levied pursuant to section 1492.

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

§ 1492. Excise tax on watercraft, motors and trailers

1. Definitions. For the purpose of this section, unless the context otherwise requires, the following terms shall have the following meanings.

A. "Length" means the straight line measurement stated in feet and inches, from the foremost part of the vessel to the aftermost part measured parallel to the centerline, excluding outboard motors, brackets, bowsprits, rudders and similar attachments.

B. "Makers list price" means the retail price and shall be obtained from sources approved by the State Tax Assessor. Where the maker's list price is not readily obtainable, the State Tax Assessor shall prescribe the maker's list price to be used or the manner in which the maker's list price shall be determined.

2. Watercraft. An excise tax shall be levied annually on all watercraft and related motors and trailers for the privilege of operating on the waters of this State.

3. Computation. The excise tax on all watercraft including their motors and trailers shall be computed annually as follows.

- A. The excise tax on all watercraft shall be a sum equal to 2.5% of the maker's list price for the first or current year of model; 2.0% for the 2nd year; 1.5% for the 3rd year; 1.0% for the 4th year; and 0.5% for the 5th and subsequent years. The minimum tax shall be \$5.
- B. The tax on motors used to propel that watercraft shall be computed in the same manner used pursuant to paragraph A.
- C. The tax on trailers used to haul that watercraft shall be \$2 for each ton capacity of that trailer as determined from a standard guide selected by the State Tax Assessor.
4. Length exceptions. Notwithstanding the provisions of this section, any watercraft 21 feet or more in length shall be assessed as personal property.
5. Exemptions. The following watercraft shall be exempt from the excise tax:
- A. Watercraft, motors and trailers held by licensed marine dealers as demonstrators or stock-in-trade;
 - B. Lifeboats which are a necessary part of a larger vessel and so identified;
 - C. Rowboats more than 5 years old; and
 - D. Watercraft, motors and trailers owned by nonresidents of this State, and which are not required to be registered in this State, shall be exempt from the excise tax, provided the watercraft has a current registration in another state.
6. Exemption from personal property taxation. Any watercraft, motor or trailer on which an excise tax is levied pursuant to this section is exempt from personal property taxation.
7. Municipal tax collector. In the case of municipalities, the municipal tax collector or such other person as the municipality may designate shall assess and collect such excise tax and shall deposit the money received with the municipal treasurer. The collector may abate any excise tax erroneously assessed.
- The collector shall report to the municipal officers at the end of the municipal year, showing the total amount of excise tax collected and abated.
- In the case of an unorganized territory, the State Tax Assessor shall assess and collect the excise tax.
8. Where paid. The excise tax shall be paid in the case of a resident in the place where he resides, or in the case of a Maine resident of an unorganized territory to the State Tax Assessor. In the case of nonresidents registering watercraft in this State, the excise tax shall be paid in the place where the watercraft is customarily kept.
9. Assessment. The excise tax shall be assessed according to the status of property on April 1st. The tax shall be due on the same date as other

property taxes. Interest on overdue excise tax assessments shall accrue at the same rate as other property taxes. A copy of the list supplied to the tax collector shall be included in the valuation list.

10. Enforcement. The tax collector or the State Tax Assessor for the unorganized territory, 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 demand for payment has been sent to the taxpayer within 60 days of the tax due date and payment was not made within 30 days from the sending of the demand.

11. Penalty. A penalty of 1% per month shall be applied to overdue excise tax assessments.

12. Disposition of tax. All excise tax fees collected by municipal tax collectors shall be retained by the municipality.

13. Tax as a prerequisite for registration. Payment of the excise tax shall be a prerequisite for registration of a boat.

A. No watercraft owner may register his watercraft, pursuant to Title 12, section 2069, unless he shall present to the official responsible for registration, receipts signed by a tax collector for all excise tax payments on his watercraft since the last registration of his watercraft.

STATEMENT OF FACT

The purpose of this bill is to standardize the taxation of watercraft in this State.