

MAINE STATE LEGISLATURE

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ONE HUNDRED AND EIGHTH LEGISLATURE

Legislative Document

No. 1656

H. P. 1401

House of Representatives, April 13, 1977

On motion of Mr. Carey of Waterville, referred to Committee on Taxation.
Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Mrs. Boudreau of Portland.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-SEVEN

AN ACT to Eliminate Dissimilar and Inequitable Taxation of Mobile Homes
Owned by Maine Homeowners

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

Sec. 1. 36 MRSA § 1482, sub-§ 1, ¶ B, as amended by PL 1975, c. 252, § 17, is repealed and the following enacted in its place:

B. Mobile homes. For the privilege of operating a mobile home upon the public ways, each mobile home shall be subject to an excise tax of \$15.

Sec. 2. 36 MRSA § 1760, sub-§ 37 is enacted to read:

37. Permit fees, license fees, transportation costs and resales by dealers of mobile homes, industrialized housing and camp trailers. That portion of any transaction which is proven to consist of the amount required by government or political subdivisions for payment of license or permit fees for the particular sale, movement or use of any mobile home, industrialized housing or camp trailer, or any portion of the sales price which is proven to consist of labor or transportation costs for the construction or movement of mobile homes, industrialized housing, or camp trailers prior to its first retail sale. Mobile homes, industrialized housing or camp trailers resold in retail are exempt from the tax imposed by chapters 211 to 225.

Sec. 3. 36 MRSA § 1765, as last repealed and replaced by PL 1975, c. 765, § 20, is amended to read:

§ 1765. Trade-in credit for vehicles, boats or aircraft

When one or more motor vehicles, boats, aircraft, ~~or~~ farm tractors, camp trailers or mobile homes are traded in toward the sale price of another motor

vehicle, boat, aircraft, ~~or~~ farm tractor, **camp trailer or mobile home**, the tax imposed by chapters 211 to 225 shall be levied only upon the difference between the sale price of the purchased motor vehicle, boat, aircraft, ~~or~~ farm tractor, **camp trailer or mobile home** and the sale price of the motor vehicle or vehicles, boat or boats, aircraft, ~~or~~ farm tractor or tractors, **camp trailer or trailers, mobile home or homes** taken in trade, except for transactions between dealers involving exchange of farm tractors, boats, aircraft, **camp trailers, mobile homes** or motor vehicles from inventory.

STATEMENT OF FACT

The passage of this bill would result in a loss of revenue of approximately \$610,000 per year.

Maine owners of mobile homes are discriminated from other homeowners and then made to pay dissimilar and inequitable taxes.

1. In sales tax: Owners who trade in their mobile homes when purchasing another from a dealer in Maine are required to pay the sales tax on the total sales price of the home they buy without benefit of a trade-in credit. This results in the homeowner paying tax twice on the same home. No other home buyer is required to pay a sales tax on used homes. This bill will correct this dissimilar and inequitable taxation.

2. In Maine, buyers of mobile homes are presently paying sales tax on the total price of the home which includes the charges for labor, permits, transportation costs and other items which are not taxable for home buyers of all other types of housing. This bill would correct that inequity.

3. Mobile homeowners, if for any reason they have to have their home moved from one location to another, must obtain a registration; a certificate that taxes are paid; a permit for overwidth load movement; and must also pay an excise tax "for the privilege of moving the 'vehicle' on the highway." As these moves require specially equipped trucks and are quite costly, these homes are not traveling Maine highways except to relocate from one place to another usually within the course of one or 2 days. The excise tax required often exceeds the amount paid for a new automobile, which requires the use of highways all year long. The excise tax is a throw-back to a time long ago when mobile homes were "trailers" and then commonly towed behind automobiles in travel.

Mobile homes are already taxed as real estate according to state law. This bill provides for a reasonable payment by the homeowner for the short, temporary use of Maine highways in order to relocate their home and eliminates the excessive and inequitable tax.