

MAINE STATE LEGISLATURE

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1 (New Draft of H.P. 1154, L.D. 1524)

2 FIRST REGULAR SESSION

3

4 ONE HUNDRED AND ELEVENTH LEGISLATURE

5

6 Legislative Document

No. 1782

7

8 H.P. 1343

House of Representatives, June 22, 1983

9

10 Reported by Representative Higgins from the Committee on Taxation and
printed under Joint Rule 2.

11 Original bill presented by Representative Allen of Washington.
Cosponsored by Representative Ingraham of Houlton, Senator Wood of York
and Representative Higgins of Portland.

EDWIN H. PERT, Clerk

12

13 STATE OF MAINE

14

15 IN THE YEAR OF OUR LORD
16 NINETEEN HUNDRED AND EIGHTY-THREE

17

18 AN ACT Relating to the Taxation of
19 Certain Watercraft.

20

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

23 Sec. 1. 12 MRSA §7794, sub-§1, as amended by PL
24 1983, c. 92, Pt. B, §1, is further amended to read:

25 1. Motorboats requiring. The owner of every
26 motorboat, including airmobiles, used on the waters
27 of the State as the state of principal use shall
28 obtain a certificate of number for the motorboat from
29 the commissioner. No Beginning March 1, 1985, no
30 certificate of number may be issued unless the owner
31 submits proof that the watercraft excise tax,
32 assessed under Title 36, chapter 112, has been paid.
33 The following motorboats are exempt from this
34 section:

1 A. A watercraft which has or is required to have
2 a valid marine document as a watercraft of the
3 United States;

4 B. A motorboat already covered by a current cer-
5 tificate of number issued under a federally
6 approved numbering system of another state or a
7 federal law, provided that the number so issued
8 is displayed on the motorboat and provided that
9 the motorboat has not been within this State for
10 a period in excess of 60 consecutive days after
11 the state of principal use has been changed;

12 C. Military or public watercraft, except recrea-
13 tional type watercraft of the United States;

14 D. A motorboat whose owner is the United States,
15 a state or subdivision thereof which is used for
16 governmental purposes and which is clearly iden-
17 tifiable as such;

18 E. A ship's lifeboat;

19 F. Motorboats from a country other than the
20 United States, provided the motorboat has not
21 been within this State for a period in excess of
22 60 consecutive days; and

23 G. Motorboats used exclusively for racing pur-
24 poses which display on their hulls in a prominent
25 manner a valid boat number issued by a recognized
26 racing association.

27 Sec. 2. 12 MRSA §7794, sub-§3, ¶C is enacted to
28 read:

29 C. At the time of issuance of a certificate of
30 number, the commissioner shall provide a written
31 notice that a local excise tax must be paid and
32 that a tax decal must be displayed beside the
33 number on the watercraft. Where the certificate
34 of number is issued to a resident of this State,
35 the commissioner shall send notice of issuance to
36 the tax assessor of the municipality where the
37 holder of the certificate of number resides. If
38 a certificate of number is issued to a nonresi-
39 dent individual or to a partnership or corpora-

1 tion, domestic or foreign, the copy of the cer-
2 tificate shall be sent to the assessor of the
3 municipality where the watercraft is principally
4 moored, docked or located or has its established
5 base of operations.

6 Sec. 3. 12 MRSA §7794, sub-§9, as amended by PL
7 1983, c. 92, Pt. B, §3, is further amended to read:

8 9. Expiration. Every certificate of number
9 awarded under this subchapter continues in force
10 until December 31st of the 2nd calendar year after
11 the year of issuance.

12 Sec. 4. 12 MRSA §7801, sub-§28 is enacted to
13 read:

14 28. Failure to display an excise tax decal. In
15 all cases where a person fails to display an excise
16 tax decal as required under Title 36, chapter 112,
17 the law enforcement official discovering the failure
18 shall notify the tax assessor of the owner's resi-
19 dence or, in the case of nonresidents, partnerships
20 or corporations, foreign or domestic, the tax asses-
21 sor of the municipality where the watercraft is prin-
22 cipally moored, docked or located or has its estab-
23 lished base of operations.

24 Sec. 5. 12 MRSA §7901, sub-§5 is enacted to
25 read:

26 5. Violation not a crime. A violation of
27 section 7801, subsection 28, is not a crime.

28 Sec. 6. 36 MRSA §1503, sub-§1-A is enacted to
29 read:

30 1-A. Canoe. "Canoe" has the same definition as
31 that set out in Title 12, section 662, subsection 1.

32 Sec. 7. 36 MRSA §1503, sub-§8, as enacted by PL
33 1983, c. 92, Pt. B, §9, is amended to read:

34 8. Registration period. "Registration period"
35 means that period commencing upon the issuance of a
36 certificate of number pursuant to Title 12, section
37 7794 and continuing until December 31st of the 2nd
38 calendar year after the year of issuance.

1 Sec. 8. 36 M RSA §1503, sub-§10, as enacted by PL
2 1983, c. 92, Pt. B, §9, is amended to read:

3 10. Watercraft. "Watercraft" means any type of
4 vessel, boat, canoe or craft capable of being used as
5 a means of transportation on water, other than a sea-
6 plane, including motors, electronic and mechanical
7 equipment and other machinery, whether permanently or
8 temporarily attached, and which are customarily used
9 in the operations of the watercraft. Watercraft does
10 not include a vessel, boat, canoe or craft located
11 and intended to be permanently docked in one location
12 and not used as a means of transportation on water.

13 Sec. 9. 36 M RSA §1504, sub-§1, as enacted by PL
14 1983, c. 92, Pt. B, §9, is repealed and the following
15 enacted in its place:

16 1. Payment schedule. An excise tax shall be
17 payable annually by the owner of each watercraft
18 located in this State, except those exempt under sub-
19 section 4, within 10 days of operation upon the
20 waters of this State, or prior to obtaining a certifi-
21 cate of number pursuant to Title 12, section 7794,
22 or prior to July 1st, whichever event first occurs,
23 based on the following schedules.

24 A. The following tax is assessed based upon the
25 overall length of the watercraft.

<u>Overall length of watercraft</u>	<u>Length Tax</u>
<u>to nearest foot.....</u>	
<u>Watercraft under 13 feet and</u>	
<u>all canoes regardless of</u>	
<u>length.....</u>	<u>\$6</u>
<u>13 feet.....</u>	<u>7</u>
<u>14 feet.....</u>	<u>8</u>
<u>15 feet.....</u>	<u>9</u>
<u>16 feet.....</u>	<u>11</u>
<u>17 feet.....</u>	<u>13</u>
<u>18 feet.....</u>	<u>16</u>
<u>19 feet.....</u>	<u>19</u>
<u>20 feet.....</u>	<u>22</u>
<u>21 feet.....</u>	<u>26</u>
<u>22 feet.....</u>	<u>30</u>
<u>23 feet.....</u>	<u>44</u>

1	<u>24 feet</u>	<u>48</u>
2	<u>25 feet</u>	<u>52</u>
3	<u>26 feet</u>	<u>58</u>
4	<u>27 feet</u>	<u>64</u>
5	<u>28 feet</u>	<u>70</u>
6	<u>29 feet</u>	<u>76</u>
7	<u>30 feet</u>	<u>82</u>
8	<u>31 feet</u>	<u>88</u>
9	<u>32 feet</u>	<u>94</u>
10	<u>33 feet</u>	<u>100</u>
11	<u>34 feet</u>	<u>106</u>
12	<u>35 feet</u>	<u>113</u>
13	<u>36 feet</u>	<u>120</u>
14	<u>37 feet</u>	<u>127</u>
15	<u>38 feet</u>	<u>135</u>
16	<u>39 feet</u>	<u>142</u>
17	<u>40 feet</u>	<u>150</u>
18	<u>41 feet</u>	<u>158</u>
19	<u>42 feet</u>	<u>168</u>
20	<u>43 feet</u>	<u>178</u>
21	<u>44 feet</u>	<u>190</u>
22	<u>45 feet</u>	<u>202</u>
23	<u>46 feet</u>	<u>214</u>
24	<u>47 feet</u>	<u>228</u>
25	<u>48 feet</u>	<u>242</u>
26	<u>49 feet</u>	<u>256</u>
27	<u>50 feet</u>	<u>270</u>
28	<u>51 feet</u>	<u>285</u>
29	<u>and over</u>	<u>plus \$15</u>
30		<u>for each</u>
31		<u>foot over</u>
32		<u>51 feet</u>

33 B. Motor tax. In addition to the length tax,
34 the owner of any watercraft, except watercraft
35 with an overall length under 13 feet and all
36 canoes regardless of length, shall pay a tax on
37 the total motor horsepower as shown on the
38 watercraft's registration in accordance with the
39 following schedule:

- | | | |
|----|---|--------------|
| 40 | <u>(1) Horsepower of 20 or less</u> | <u>\$2</u> |
| 41 | <u>(2) Horsepower over 20 but</u> | |
| 42 | <u>not over 70</u> | <u>\$5</u> |
| 43 | <u>(3) Horsepower over 70</u> | <u>\$10.</u> |

1 Sec. 10. 36 MRSA §1504, sub-§2, ¶C is enacted to
2 read:

3 C. Any depreciation allowed under this subsection
4 may not reduce the total tax below \$12.

5 Sec. 11. 36 MRSA §1504, sub-§9, ¶A, as enacted
6 by PL 1983, c. 92, Pt. B, §9, is amended to read:

7 A. Payment Beginning March 1, 1985, payment of
8 the excise tax is a prerequisite for obtaining a
9 certificate of number of a watercraft under Title
10 12, section 7794, and no registration may be
11 renewed until all excise taxes with respect to
12 the watercraft have been paid in accordance with
13 this chapter.

14 Sec. 12. Effective date. This Act shall take
15 effect March 1, 1984. Section 2 of this Act is
16 repealed on March 1, 1985.

17 STATEMENT OF FACT

18 This new draft corrects some technical errors and
19 removes inequities in the tax rates in Public Law
20 1983, chapter 92, enacted earlier this session. The
21 earlier bill unfairly placed a greater burden on
22 smaller boats and did not consider the motor used to
23 power the boat. This new draft taxes nonexempt
24 canoes at a flat rate, readjusts the rates for other
25 boats and adds a motor tax to reflect more accurately
26 the value of the use of the boat.

27 This new draft also delays the requirement that a
28 watercraft pay the excise tax prior to registration
29 until March 1, 1985, in order to allow time for
30 watercraft owners to become aware of the prepayment
31 requirement and changes some enforcement provisions.

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