

MAINE STATE LEGISLATURE

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(EMERGENCY)
(New Draft of H.P. 1514, L.D. 1989)

SECOND REGULAR SESSION

ONE HUNDRED AND ELEVENTH LEGISLATURE

Legislative Document No. 2122

H.P. 1610 House of Representatives, February 27, 1984
Reported by Representative Higgins from the Committee on Taxation
and 2,500 printed under Joint Rule 2.
Original bill presented by Representative Higgins of Portland.
Cosponsors: Representative Day of Westbrook, Representative Melendy of
Rockland and Representative Allen of Washington.

EDWIN H. PERT, Clerk

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND EIGHTY-FOUR

AN ACT Concerning Implementation of
the Boat Excise Tax.

Emergency preamble. Whereas, Acts of the Legis-
lature do not become effective until 90 days after
adjournment unless enacted as emergencies; and

Whereas, the watercraft excise tax scheduled to
become effective on March 1, 1984, envisioned the
passage of an amendment to the Constitution of Maine;
and

Whereas, that proposed amendment was not approved
by the people; and

Whereas, changes in the law are necessary to en-
sure the successful operation of the tax; and

Whereas, these changes shall be made before March
1, 1984; and

1 governmental purposes and which is clearly identifiable as such;
2

3 E. A ship's lifeboat;

4 F. Motorboats from a country other than the
5 United States, provided the motorboat has not
6 been within this State for a period in excess of
7 60 consecutive days; and

8 G. Motorboats used exclusively for racing purposes which display on their hulls in a prominent
9 manner a valid boat number issued by a recognized
10 racing association.
11

12 Sec. 2. 12 MRSA §7794, sub-§3, ¶C, as enacted by
13 PL 1983, c. 572, §§2 and 12, is repealed.

14 Sec. 3. 12 MRSA §7801, sub-§28, as enacted by PL
15 1983, c. 572, §§4 and 12, is amended to read:

16 28. Failure to display an excise tax decal. In
17 all cases where a person fails to display an excise
18 tax decal as required under Title 36, chapter 112,
19 the law enforcement official discovering the failure
20 shall notify the tax assessor collector of the
21 owner's residence or, in the case of nonresidents,
22 partnerships or corporations, foreign or domestic,
23 the tax assessor collector of the municipality where
24 the watercraft is principally moored, docked or located or has its established base of operations.
25

26 Sec. 4. 36 MRSA §655, sub-§1, ¶P, as enacted by
27 PL 1977, c. 456, is amended to read:

28 P. All items of individually owned personal
29 property with a just value of less than \$1,000,
30 except:

31 (1) Items used for industrial or commercial
32 purposes; and

33 (2) Vehicles and camp trailers as defined
34 in section 1481 not subject to an excise
35 tax; and

36 (3) ~~All watercraft not subject to an excise~~
37 ~~tax.~~

1 Sec. 5. 36 MRSA §655, sub-§1, ¶R, as enacted by
2 PL 1983, c. 92, Pt. B, §8, is repealed.

3 Sec. 6. 36 MRSA §1502, sub-§1 is enacted to
4 read:

5 1. Collection; reimbursement. The excise tax
6 shall be owed to the State but shall be collected by
7 local governments as provided in section 1504, sub-
8 section 3 and section 1505.

9 A municipality claiming reimbursement shall deduct
10 from the amount claimed any watercraft excise taxes
11 paid to the municipality during the period for which
12 claim is being made. The municipality shall remit
13 the excess watercraft excise tax to the State Tax As-
14 essor by April 1st of the year following the taxable
15 year. Any excess remaining after reimbursement as
16 required by section 661 shall be apportioned to the
17 municipalities to achieve a uniform reimbursement
18 percentage in excess of 50%.

19 Sec. 7. 36 MRSA §1504, sub-§1, as repealed and
20 replaced by PL 1983, c. 572, §§9 and 12, is amended
21 to read:

22 1. Payment schedule. An excise tax shall be
23 payable annually by the owner of each watercraft lo-
24 cated in this State, except those exempt under sub-
25 section 4, within 10 days of operation upon the wa-
26 ters of this State, or prior to obtaining a certifi-
27 cate of number pursuant to Title 12, section 7794, or
28 prior to July 1st, whichever event first occurs,
29 based on the following schedules. For 1984, water-
30 craft subject to the watercraft excise tax, which are
31 not required to register under Title 12, chapter 715,
32 shall not be required to pay the excise tax until
33 June 30, 1984.

34 A. The following tax is assessed based upon the
35 overall length of the watercraft.

36 Overall length of watercraft
37 to nearest foot.....Length Tax

38 Watercraft under 13 feet and
39 all canoes regardless of

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

45 **B. Motor tax:** In addition to the length tax, the
46 owner of any watercraft, except watercraft with

1 an overall length under 13 feet and all canoes
2 regardless of length, shall pay a tax on the to-
3 tal motor horsepower as shown on the watercraft's
4 registration in accordance with the following
5 schedule-

- 6 (1) Horsepower of 20 or less.....\$2
- 7 (2) Horsepower over 20 but
8 not over 70.....\$5
- 9 (3) Horsepower over 70.....\$10-

10 B. In addition to the length tax, the owner of
11 any watercraft, other than a canoe, with an over-
12 all length greater than 13 feet and less than 23
13 feet shall pay a tax on the total motor horsepow-
14 er as shown on the watercraft's registration in
15 accordance with the following schedule:

- 16 (1) Horsepower of 20 or less.....\$2
- 17 (2) Horsepower over 20 but
18 not over 70.....\$5
- 19 (3) Horsepower over 70.....\$10.

20 Sec. 8. 36 MRSA §1504, sub-§3, ¶D is enacted to
21 read:

22 D. Beginning April 1, 1984, upon payment of the
23 excise tax, the municipality shall certify on
24 forms provided by the Department of Inland Fish-
25 eries and Wildlife that the excise tax has been
26 paid. The municipality may withhold certifica-
27 tion that the excise tax has been paid until all
28 outstanding taxes due under this chapter have
29 been paid.

30 Sec. 9. 36 MRSA §1504, sub-§6, as enacted by PL
31 1983, c. 92, Pt. B, §9, is repealed.

32 Sec. 10. 36 MRSA §1504, sub-§9, ¶A, as amended
33 by PL 1983, c. 572, §§11 and 12, is further amended
34 to read:

1 A. Beginning March 1, ~~1985~~ 1984, payment of the
2 excise tax is a prerequisite for obtaining a cer-
3 tificate of number of a watercraft under Title
4 12, section 7794, and no registration may be re-
5 newed until all excise taxes with respect to the
6 watercraft have been paid in accordance with this
7 chapter.

8 Sec. 11. 36 MRSA §1504, sub-§10 is enacted to
9 read:

10 10. Reimbursement. Municipalities that suffer a
11 property tax revenue loss resulting from the exemp-
12 tion created by section 655, subsection 1, paragraph
13 R, shall file with the State Tax Assessor by April
14 1st of the year following the loss a claim for reim-
15 bursement according to the procedures otherwise set
16 forth in section 661.

17 Sec. 12. PL 1983, c. 92, Pt. B, §7 is repealed.

18 Sec. 13. PL 1983, c. 92, Emergency clause, is
19 amended to read:

20 Emergency clause. In view of the emergency cited
21 in the preamble, Part A shall take effect on April 1,
22 1983, and shall expire and be repealed on March 1,
23 1984. Part B shall take effect on March 1, 1984; ex-
24 cept that Part B, sections 2 and 3 shall take effect
25 on August 1, 1984.

26 Sec. 14. PL 1983, c. 572, §12 is amended to
27 read:

28 Sec. 12. Effective date. This Part shall take
29 effect March 1, 1984; except that section 3 shall
30 take effect on August 1, 1984. Section 2 of this
31 Part is repealed on March 1, 1985.

32 Sec. 15. Report. The Bureau of Taxation shall
33 make a report to the 112th Legislature by January 1,
34 1985, regarding the watercraft excise tax. The re-
35 port shall contain at least the following informa-
36 tion: A listing for each municipality and the unor-
37 ganized territory of the property tax revenue loss
38 resulting from the exemption of watercraft from the
39 property tax during 1984; and the amount of water-

- 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 ap-
6 proved 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 §7801, sub-§28, as amended, is
28 repealed.
- 29 Sec. 3. 12 MRSA §7901, sub-§5, as enacted by PL
30 1983, c. 572, §5, is repealed.
- 31 Sec. 4. 36 MRSA §610-A, as repealed by PL 1983,
32 c. 92, Pt. B, §6, is reenacted.
- 33 Sec. 5. 36 MRSA §655, sub-§1, ¶R, is repealed.
- 34 Sec. 6. 36 MRSA c. 112, as enacted by PL 1983,
35 c. 92, Pt. B, §9, is repealed.

1 **Sec. 7. Effective date.** This Part shall take
2 effect on March 31, 1985, unless by that date the
3 Governor has proclaimed that the Constitution of
4 Maine has been amended to require that: Beginning
5 with the property tax year 1984, all watercraft, as
6 defined by the Legislature, shall be exempt from tax-
7 ation as personal property; provided however, that
8 certain watercraft, as defined by the Legislature,
9 shall be subject to an excise tax to be collected and
10 retained by the municipalities. If the Governor has
11 not so proclaimed that date, this Part is repealed on
12 March 31, 1985.

13 **Sec. 8. Appropriation.** The following funds are
14 appropriated from the General Fund to carry out the
15 purposes of this Act.

16 1983-84

17 INLAND FISHERIES AND WILDLIFE,
18 DEPARTMENT OF

19 Fish and Wildlife - Watercraft
20 Registration and Safety

21 All Other \$23,000

22 The amount appropriated is
23 to pay for printing and
24 distribution of the excise
25 tax decals required under
26 the watercraft excise tax.

27 **Emergency clause.** In view of the emergency cited
28 in the preamble, this Act shall take effect March 1,
29 1984; except as otherwise specifically provided in
30 this Act.

31 STATEMENT OF FACT

32 This new draft provides that the watercraft ex-
33 cise tax enacted by the Legislature in 1983 and
34 scheduled to go into effect on March 1, 1984, will be
35 permitted to go into effect on schedule. Several
36 provisions of the new draft make technical correc-
37 tions to accomplish the intent of last year's law.

1 Several provisions make minor changes in the adminis-
2 trative obligations of the Department of Inland Fish-
3 eries and Wildlife to make administration easier.
4 The effective date for the shift from 3-year boat
5 registration to 2-year registration is changed to Au-
6 gust 1, 1984. A provision is added to move up to
7 March 31, 1984, the requirement that the excise tax
8 be paid before a boat can be registered. The excise
9 tax is established as a state tax to be collected by
10 municipalities. Under the new excise tax all boats,
11 including canoes, which are 20 feet or less in length
12 and which are not required to register because they
13 do not use a motor, will be exempt.

14 The new draft is accompanied by a constitutional
15 amendment to provide a property tax exemption for wa-
16 tercraft in the Constitution of Maine. If this
17 amendment is adopted by the voters in November, the
18 State will not be required to reimburse municipali-
19 ties for the property tax loss resulting from the ex-
20 emption, and the excise tax will become a municipal
21 revenue source. If this does not pass, the excise
22 tax is repealed and the property tax reinstated. The
23 State would be required to ensure that all municipal-
24 ities experiencing a property tax loss in 1984 would
25 receive at least 50% reimbursement. Municipalities
26 would use excise tax revenues to cover reimbursement.
27 Any excess would be returned to the State. The State
28 would make payments to bring municipalities not col-
29 lecting enough excise tax up to 50%.

30

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