

MAINE STATE LEGISLATURE

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1 SECOND REGULAR SESSION
2

3 ONE HUNDRED AND TWELFTH LEGISLATURE
4

5 Legislative Document

No: 1753

6 H.P. 1243

House of Representatives, December 30, 1985

7 Approved for introduction by a majority of the Legislative Council
8 pursuant to Joint Rule 26.

9 Received by the Clerk of the House on December 30, 1985. Referred to
10 the Committee on Taxation and 1,600 ordered printed pursuant to Joint Rule
14.

EDWIN H. PERT, Clerk

Presented by Representative Murphy of Kennebunk.

11 Cosponsored by Senator Twitchell of Oxford, Representative Jackson of
Harrison and Representative Foster of Ellsworth.

12 STATE OF MAINE
13

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

17 AN ACT Amending the Excise Tax Law as it
18 Relates to Car Leasing.
19

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

22 Sec. 1. 36 MRSA §1484, sub-§3, ¶C, as amended by
23 PL 1983, c. 828, §3, is further amended to read:

24 C. If the motor vehicle is owned by a corpora-
25 tion or a partnership, the excise tax shall be
26 paid in the following manner.

27 (1) If it is a corporation or partnership
28 other than one described in subparagraph
29 (2), the excise tax shall be paid to the
30 place in which the registered or main office
31 of that organization is located, except that
32 if the organization has an additional perma-
33 nent place, or places, of business where mo-
34 tor vehicles are customarily kept, the tax
35 on these vehicles shall be paid to the place

1 where such permanent place of business is
2 located. The temporary location of an office
3 and the stationing of vehicles in connection
4 with a construction project of less than 24
5 months duration is not considered to consti-
6 tute a permanent place of business. In the
7 case of a foreign corporation or partnership
8 not maintaining a place of business within
9 the State, the excise tax shall be paid to
10 the State.

11 (2) In the case of corporations described
12 in Title 35, section 2301, any excise taxes
13 owed shall be paid to the place in which the
14 registered or main office of that organiza-
15 tion is located.

16 (3) If a municipality, county or motor ve-
17 hicle owner feels the excise tax has been
18 improperly levied under the authority of
19 this paragraph or paragraph D, the owner,
20 county or municipality may request a deter-
21 mination of this question by the State Tax
22 Assessor. The State Tax Assessor's determi-
23 nation shall be binding on all parties. Any
24 party may seek review of the determination
25 in accordance with the Maine Rules of Civil
26 Procedure, Rule 80-B.

27 Sec. 2. 36 MRSA §1484, sub-§3, ¶D is enacted to
28 read:

29 D. When a motor vehicle, owned by an individual,
30 corporation or partnership is leased to another,
31 paragraphs A and B and paragraph C, subparagraphs
32 (1) and (2) do not apply and the excise tax shall
33 be paid as follows. For purposes of this para-
34 graph, a motor vehicle is "leased" if the vehicle
35 is leased on a long-term basis to any individual,
36 corporation or partnership, but a motor vehicle
37 is not "leased" if it is rented on less than a
38 monthly basis.

39 (1) If the lessee is an individual, the
40 excise tax shall be paid to the place in
41 which the lessee has his legal residence,
42 except that if the lessee is not a resident

1 of the State, the excise tax shall be paid
2 to the State.

3 (2) If the lessee is a corporation or part-
4 nership, the excise tax shall be paid to
5 the place in which the registered or main
6 office of that organization is located, ex-
7 cept that if the corporation or partnership
8 does not maintain a permanent place of busi-
9 ness within the State, the excise tax shall
10 be paid to the State. The temporary loca-
11 tion of an office and the stationing of ve-
12 hicles in connection with a construction
13 project of less than 24 months duration is
14 not considered to constitute a permanent
15 place of business.

16 STATEMENT OF FACT

17 This bill provides that excise taxes paid on the
18 long-term lease of a motor vehicle shall inure to the
19 municipality where the lessee has legal residence
20 rather than to the municipality where the leasing
21 company is headquartered.

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