

MAINE STATE LEGISLATURE

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115th MAINE LEGISLATURE

FIRST REGULAR SESSION-1991

Legislative Document

No. 404

H.P. 283

House of Representatives, February 7, 1991

Reported by Representative ERWIN for the Joint Standing Committee on Audit and Program Review pursuant to the Maine Revised Statutes, Title 3, chapter 33.

Reference to the Joint Standing Committee on Audit and Program Review suggested and printing ordered under Joint Rule 18.

A handwritten signature in cursive script that reads "Ed Pert".

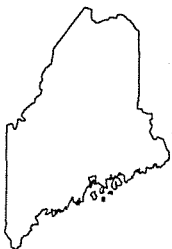
EDWIN H. PERT, Clerk

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND NINETY-ONE

**An Act to Increase Revenues to the General Fund by Streamlining
Collection Methods for Use Taxes on Snowmobiles and All-terrain
Vehicles Pursuant to the Maine Sunset Act.**

(EMERGENCY)



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

4
Whereas, it is in the State's best interest to collect all
6 taxes in the most efficient manner possible; and

8
Whereas, it would be most efficient for this bill to take
effect as close as possible to the beginning of the next fiscal
10 year; and

12
Whereas, in the judgment of the Legislature, these facts
create an emergency within the meaning of the Constitution of
14 Maine and require the following legislation as immediately
necessary for the preservation of the public peace, health and
16 safety; now, therefore,

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

20 **Sec. 1. 12 MRSA §7793-A**, as enacted by PL 1989, c. 588, Pt.
C, §1, is amended to read:

22 **§7793-A. Collection by commissioner**

24
The commissioner or agents of the commissioner shall act on
26 behalf of the State Tax Assessor to collect the use tax due under
Title 36, chapters 211 to 225 in respect to any watercraft for
28 which an original registration is required under this Title at
the time and place of registration of that watercraft.

30
~~Each official shall deduct and retain from the use taxes
32 collected pursuant to this section a fee of \$1.25 for each
watercraft in respect to which a use tax certificate has been
34 submitted in accordance with section 7793-C, even though the
certificate indicated that no use tax was due in respect to the
36 watercraft in question.~~

38
~~All fees so retained shall be transmitted forthwith to the
Treasurer of State and treated as funds deposited pursuant to
40 section 7074. All taxes collected pursuant to this section shall
must be transmitted forthwith to the Treasurer of State and shall
42 be credited to the General Fund.~~

44 **Sec. 2. 12 MRSA §7793-D**, as enacted by PL 1989, c. 588, Pt.
C, §1, is repealed and the following enacted in its place:

46
§7793-D. Certificates to be forwarded to the State
48 **Tax Assessor**

50 Agents of the commissioner shall promptly forward all
certificates submitted in accordance with section 7793-C to the

2 commissioner. The commissioner shall transmit all such
3 certificates to the State Tax Assessor.

4 **Sec. 3. 12 MRSA §7793-E**, as enacted by PL 1989, c. 588, Pt.
5 C. §1, is amended to read:

6 **§7793-E. Collection by State Tax Assessor**

7
8
9
10 The provisions of this section shall and sections 7793-A to
11 7793-D must be construed as cumulative of other methods
12 prescribed in Title 36, chapters 211 to 225, for the collection
13 of the sales or use tax. Nothing herein shall in these sections
14 may be construed as precluding the State Tax Assessor from
15 collecting the tax due in respect to any watercraft in accordance
16 with such other methods as are prescribed in Title 36, chapters
17 211 to 225, for the collection of the sales or use tax.

18 **Sec. 4. 12 MRSA §§7824-A to 7824-E** are enacted to read:

19
20 **§7824-A. Collection by commissioner**

21
22 The commissioner or agents of the commissioner shall act on
23 behalf of the State Tax Assessor to collect the use tax due under
24 Title 36, chapters 211 to 225, in respect to any snowmobile for
25 which an original registration is required under this Title at
26 the time and place of registration of that snowmobile.

27
28 All taxes collected pursuant to this section must be
29 transmitted forthwith to the Treasurer of State and must be
30 credited to the General Fund.

31
32 **§7824-B. Original registration defined**

33
34 "Original registration" means any registration other than a
35 renewal of registration by the same owner in sections 7824-A to
36 7824-E.

37
38 **§7824-C. Payment of sales or use tax a prerequisite**
39 **to registration**

40
41
42 An application for registration may not be granted in
43 respect to any snowmobile the sale or use of which may be subject
44 to tax under Title 36, chapters 211 to 225, except in the case of
45 a renewal of registration by the same owner, until one of the
46 following conditions has been satisfied:

47
48 1. Dealers' certificate. The applicant has submitted a
49 dealers' certificate in a form prescribed by the State Tax
50 Assessor, showing either that the sales tax due in respect to the
51 snowmobile in question has been collected by the dealer or that
52 the sale of the snowmobile is exempt from or otherwise not
subject to tax under Title 36, chapters 211 to 225;

2 2. Use tax certificate. The applicant has properly
4 executed and signed a use tax certificate in such form and manner
6 as may be prescribed by the State Tax Assessor and paid the
 amount of tax shown in the certificate to be due; or

8 3. Exemption. The applicant has properly executed and
10 signed a use tax certificate in such form and manner as may be
12 prescribed by the State Tax Assessor showing that the sale or use
 of the snowmobile in question is exempt from or otherwise not
 subject to tax under Title 36, chapters 211 to 225.

14 §7824-D. Certificates to be forwarded to the State Tax Assessor

16 Agents of the commissioner shall promptly forward all
18 certificates submitted in accordance with section 7824-C to the
 commissioner. The commissioner shall transmit all such
 certificates to the State Tax Assessor.

20 §7824-E. Collection by State Tax Assessor

22 The provisions of this section and sections 7824-A to 7824-D
24 must be construed as cumulative of other methods prescribed in
26 Title 36 for the collection of the sales or use tax. Nothing in
28 these sections may be construed as precluding the State Tax
 Assessor from collecting the tax due in respect to any snowmobile
 in accordance with such other methods as are prescribed in Title
 36 for the collection of the sales or use tax.

30 Sec. 5. 12 MRSA §§7854-A to 7854-E are enacted to read:

32 §7854-A. Collection by commissioner

34 The commissioner or agents of the commissioner shall act on
36 behalf of the State Tax Assessor to collect the use tax due under
38 Title 36, chapters 211 to 225 in respect to any ATV for which an
 original registration is required under this Title at the time
 and place of registration of that ATV.

40 All taxes collected pursuant to this section must be
42 transmitted forthwith to the Treasurer of State and must be
 credited to the General Fund.

44 §7854-B. Original registration defined

46 "Original registration" means any registration other than a
48 renewal of registration by the same owner in sections 7854-A to
 7854-E.

50 §7854-C. Payment of sales or use tax a prerequisite to
52 registration

2 An application for registration may not be granted in
3 respect to any ATV the sale or use of which may be subject to tax
4 under Title 36, chapters 211 to 225, except in the case of a
5 renewal of registration by the same owner, until one of the
6 following conditions has been satisfied:

7 1. Dealers' certificate. The applicant has submitted a
8 dealers' certificate in a form prescribed by the State Tax
9 Assessor, showing either that the sales tax due in respect to the
10 ATV in question has been collected by the dealer or that the sale
11 of the ATV is exempt from or otherwise not subject to tax under
12 Title 36, chapters 211 to 225;

13 2. Use tax certificate. The applicant has properly
14 executed and signed a use tax certificate in such form and manner
15 as may be prescribed by the State Tax Assessor and paid the
16 amount of tax shown in the certificate to be due; or

17 3. Exemption. The applicant has properly executed and
18 signed a use tax certificate in such form and manner as may be
19 prescribed by the State Tax Assessor showing that the sale or use
20 of the ATV in question is exempt from or otherwise not subject to
21 tax under Title 36, chapters 211 to 225.

22 §7854-D. Certificates to be forwarded to the State Tax Assessor
23

24 Agents of the commissioner shall promptly forward all
25 certificates submitted in accordance with section 7854-C to the
26 commissioner. The commissioner shall transmit all such
27 certificates to the State Tax Assessor.

28 §7854-E. Collection by State Tax Assessor
29

30 The provisions of this section and sections 7854-A to 7854-D
31 must be construed as cumulative of other methods prescribed in
32 Title 36, for the collection of the sales or use tax. Nothing in
33 these sections may be construed as precluding the State Tax
34 Assessor from collecting the tax due in respect to any ATV in
35 accordance with such other methods as are prescribed in Title 36
36 for the collection of the sales or use tax.

37 Sec. 6. 36 MRSA §1952-A, as amended by PL 1989, c. 588, Pt.
38 C, §5, is further amended to read:

39 §1952-A. Payment of tax on vehicles and watercraft
40

41 The tax imposed by chapters 211 to 225 on the sale or use of
42 any vehicle or watercraft shall must, except where the dealer
43 thereof has collected such tax in full, be paid by the purchaser
44 or other person seeking registration of the vehicle or watercraft
45 at the time and place of registration of such vehicle or
46 watercraft. In the case of vehicles except snowmobiles and
47

2 all-terrain vehicles, the tax shall must be collected by the
 4 Secretary of State and transmitted to the Treasurer of State as
 6 provided by Title 29, chapter 5, subchapter 1-A. In the case of
 8 watercraft, snowmobiles and all-terrain vehicles, the tax shall
must be collected by the Commissioner of Inland Fisheries and
 Wildlife and transmitted to the Treasurer of State as provided by
 Title 12, sections 7793-A to 7793-E, 7824-A to 7824-E or 7854-A
 to 7854-E.

10 **Sec. 7. Appropriation.** The following funds are appropriated
 12 from the General Fund to carry out the purposes of this Act.

	1991-92	1992-93
INLAND FISHERIES AND WILDLIFE, DEPARTMENT OF		
Bureau of Administrative Services		
Licensing Services - Inland Fisheries and Wildlife		
Positions	(1.0)	(1.0)
Personal Services	\$17,660	\$18,543
All Other	2,000	2,000
<p>Provides a direct appropriation to replace the Department of Inland Fisheries and Wildlife's current practice of retaining \$1.25 for each use tax certificate on watercraft processed, resulting in an additional \$20,000 annually to the General Fund. Appropriation for the Clerk Typist I position will enable the Department of Inland Fisheries and Wildlife also to collect the use tax on snowmobiles and all-terrain vehicles at the time of registration, estimated to increase General Fund revenues by a minimum of \$40,000 a year.</p>		
DEPARTMENT OF INLAND FISHERIES AND WILDLIFE		
TOTAL	\$19,660	\$20,543

2 registration. This function is currently being performed by the
Bureau of Taxation in a less-than-timely manner.

4 The Bureau of Taxation reports that it does not currently
6 attempt to collect use taxes due on snowmobiles and ATV's in
amounts less than \$50, beyond sending a notice of tax owed. In
8 addition to collecting the majority of use taxes on these
vehicles, totaling \$225,000 a year, in a far more timely manner,
10 estimated additional taxes of \$40,000, now uncollected, will be
collected at the time of registration of the vehicle.

12 The bill also makes technical corrections.