

MAINE STATE LEGISLATURE

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116th MAINE LEGISLATURE

FIRST REGULAR SESSION-1993

Legislative Document

No. 1166

S.P. 385

In Senate, April 5, 1993

**An Act to Provide for Excise Tax Reimbursement to Businesses Engaged
in Renting of Private Passenger Motor Vehicles.**

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script, reading "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator CAHILL of Sagadahoc.

Cosponsored by Senator: BALDACCI of Penobscot, Representative: HOGLUND of Portland.

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

2
4 Sec. 1. 36 MRSA §1492 is enacted to read:

6 §1492. Reimbursement of excise tax

8 1. Five percent surcharge. Any motor vehicle owner engaged
10 in the business of renting private passenger motor vehicles that
12 rents a private passenger motor vehicle for a period of 31 days
14 or less shall collect, at the time the vehicle is rented in the
16 State, a 5% surcharge for each rental contract. For purposes of
18 this section, a vehicle is rented in the State if it is picked up
by the renter in the State. The 5% surcharge is computed on the
total amount stated in the rental agreement, except that the
sales tax imposed pursuant to section 1811 is not used in
computing the surcharge. The surcharge is not subject to the
sales tax imposed by section 1811.

20 2. Collection. The surcharges imposed by subsection 1 must
22 be disclosed on the front of the rental contracts at the time of
24 payment and collected in accordance with the terms of the
26 contracts. The surcharges must be retained by a motor vehicle
28 owner engaged in the business of renting private passenger motor
vehicles. Surcharges on rented vehicles collected pursuant to
this section may be used by the vehicle owner only for
reimbursement of the amount of excise taxes imposed and paid upon
these vehicles by the vehicle owner as provided by section 1482,
subsection 1, paragraph C.

30 3. Reporting. On a date determined by the Bureau of
32 Taxation, a motor vehicle owner engaged in the business of
34 renting private passenger motor vehicles shall file annually a
36 report with the Bureau of Taxation stating the total amount of
38 state excise taxes paid on private passenger motor vehicles in
40 the previous calendar year, the total amount of the private
42 passenger motor vehicle rental revenues earned on rentals in the
44 State for the previous calendar year and the amount, if any, by
which the total amount of surcharges for the previous year
exceeds the total amount of excise taxes on private passenger
motor vehicles paid for the previous calendar year. All
surcharge revenues collected in excess of the total amount of
excise taxes paid on private passenger motor vehicles in the
previous calendar year must be remitted to the Bureau of Taxation
for deposit in the General Fund.

46 4. False report. A person who makes a false report to the
48 Bureau of Taxation with the intent to misrepresent the amount of
50 excise taxes paid on private passenger motor vehicles or the
amount of surcharges collected is guilty of a Class E crime and,
upon conviction, may be punished by a fine not exceeding \$1,000

2 or by a term of imprisonment not exceeding one year or both.
3 Each violation constitutes a separate offense.

4 5. Rules. The Bureau of Taxation shall adopt rules
5 necessary to implement the provisions of this section and shall
6 provide the necessary forms to meet the requirements of this
7 section.

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10 **STATEMENT OF FACT**

12 This bill requires persons engaged in the short-term rental
13 of automobiles in the State to collect a 5% surcharge at the time
14 a car is rented as partial reimbursement for the excise tax paid
15 on the motor vehicle. All surcharges collected in excess of the
16 previously paid excise tax must be reported to the Bureau of
17 Taxation annually and any amount in excess of the previously paid
18 excise tax must be remitted to the Bureau of Taxation for deposit
19 in the General Fund.

20
21 This bill makes filing a false report with the Bureau of
22 Taxation a Class E crime, punishable by a fine of not more than
\$1,000 or by a prison term of not more than one year, or both.