

# MAINE STATE LEGISLATURE

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# 116th MAINE LEGISLATURE

## SECOND REGULAR SESSION-1993

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Legislative Document

No. 1570

S.P. 545

In Senate, December 14, 1993

### **An Act to Modify the Taxation of Leases on Automobiles.**

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Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 26.  
Received by the Secretary of the Senate on December 14, 1993. Referred to the Committee  
on Taxation and 1200 ordered printed pursuant to Joint Rule 14.

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

JOY J. O'BRIEN  
Secretary of the Senate

Presented by Senator BALDACCI of Penobscot.

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

2           Sec. 1. 36 MRSA §1811, as amended by PL 1993, c. 471, §3, is  
4 further amended by adding at the end a new paragraph to read:

6           Rental or lease of an automobile for more than one year must  
8 be taxed at the time of the lease or rental transaction at 6% of  
10 the following: the total monthly lease payment multiplied by the  
12 number of payments in the lease or rental, the amount of equity  
14 involved in any trade-in and the value of any cash down payment.

#### 14           STATEMENT OF FACT

16           This bill amends the manner in which leases of automobiles  
18 are taxed. Currently, the purchase price of the vehicle is  
20 taxed. Under this bill, the tax reflects the total of lease  
22 payments for the lease at the time the lease is entered into, as  
24 well as the equity value of trade-in and cash down payment.

26           This document has not yet been reviewed to determine the  
28 need for cross-reference, stylistic and other technical  
amendments to conform existing law to current drafting standards.