

MAINE STATE LEGISLATURE

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TAXATION

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
120TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 916, L.D. 1230, Bill, "An Act to Continue the Sales Tax Exemption on Vehicles Sold and Leased and Removed from the State"

Amend the bill in section 1 in subsection 23 by striking out all of the last blocked paragraph (page 3, line 2 in L.D.) and inserting in its place the following: 'This subsection is repealed June-30,-2001 June 30, 2003.'

Further amend the bill by striking out all of section 2 and inserting in its place the following:

'Sec. 2. 36 MRSA §1760, sub-§23-C, as enacted by PL 1999, c. 759, §2 and affected by §5, is amended to read:

23-C. Certain vehicles purchased by nonresidents. Sales of the following vehicles purchased by a nonresident and intended to be driven or transported outside the State immediately upon delivery by the seller:

- A. Motor vehicles, except all-terrain vehicles as defined in Title 12, section 7851 and snowmobiles as defined in Title 12, section 7821;
B. Semitrailers;
C. Aircraft;
D. Truck bodies and trailers manufactured in the State; and
E. Camper trailers, including truck campers.

If the vehicles are registered for use in the State within 12

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months of the date of purchase, the person seeking registration is liable for use tax on the basis of the original purchase price.

Notwithstanding section 1752-A, for purposes of this subsection, the term "nonresident" may include an individual, an association, a society, a club, a general partnership, a limited partnership, a domestic or foreign limited liability company, a trust, an estate, a domestic or foreign corporation and any other legal entity.

This subsection takes effect June 30, 2003.

Sec. 3. PL 1999, c. 759, §5 is repealed.'

Further amend the bill by inserting at the end before the summary the following:

FISCAL NOTE

	2001-02	2002-03
REVENUES		
General Fund	(\$205,269)	(\$215,532)
Other Funds	(11,031)	(11,583)

The continuation of the sales tax exemption on sales or leases of certain motor vehicles to nonresidents until June 30, 2003 will decrease sales and use tax collections by \$216,300 in fiscal year 2001-02 and \$227,115 in fiscal year 2002-03. The reduction of these tax collections will decrease the amounts transferred to the Local Government Fund for state-municipal revenue sharing in those years by \$11,031 and \$11,583, respectively. The resulting net reductions of General Fund revenue will be \$205,269 in fiscal year 2001-02 and \$215,532 in fiscal year 2002-03.

The Department of Administrative and Financial Services, Bureau of Revenue Services will incur some minor additional costs to administer these provisions. These costs can be absorbed within the bureau's existing budgeted resources.'

SUMMARY

This amendment extends the sales tax exemption for leases of motor vehicles to nonresidents to June 30, 2003 and adds a fiscal note to the bill.