

MAINE STATE LEGISLATURE

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120th MAINE LEGISLATURE

FIRST REGULAR SESSION-2001

Legislative Document

No. 1230

H.P. 916

House of Representatives, February 28, 2001

An Act to Continue the Sales Tax Exemption on Vehicles Sold and Leased and Removed from the State.

(EMERGENCY)

Reference to the Committee on Taxation suggested and ordered printed.

Millicent M. MacFarland

MILLICENT M. MacFARLAND, Clerk

Presented by Representative WINSOR of Norway.
Cosponsored by President Pro Tem BENNETT of Oxford and
Representative CLOUGH of Scarborough, Senator: FERGUSON of Oxford.

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

4
6 **Whereas,** the current sales tax exemption for vehicles bought
or leased by nonresidents allows automobile dealers in the State
to compete on an equal basis with dealerships in other states; and

8
10 **Whereas,** this exemption for vehicles leased by nonresidents
is scheduled to expire June 30, 2001; 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. 36 MRSA §1760, sub-§23,** as amended by PL 1999, c. 759,
§1, is further amended to read:

22 **23. Certain vehicles purchased or leased by nonresidents.**
24 Sales or leases of the following vehicles to a nonresident if the
vehicle is intended to be driven or transported outside the State
26 immediately upon delivery:

28 A. Motor vehicles, except all-terrain vehicles as defined
in Title 12, section 7851 and snowmobiles as defined in
30 Title 12, section 7821;

32 B. Semitrailers;

34 C. Aircraft;

36 D. Truck bodies and trailers manufactured in the State; and

38 E. Camper trailers, including truck campers.

40 If the vehicles are registered for use in the State within 12
months of the date of purchase, the person seeking registration
42 is liable for use tax on the basis of the original purchase price.

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

2 ~~This subsection is repealed June 30, 2001.~~

4 **Sec. 2. 36 MRSA §1760, sub-§23-C**, as enacted by PL 1999, c.
6 759, §2 and affected by §5, is repealed.

8 **Emergency clause.** In view of the emergency cited in the
10 preamble, this Act takes effect when approved.

10

12 SUMMARY

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14 Current law exempts sales or leases of certain motor
16 vehicles to nonresidents. The law exempting leases is scheduled
to sunset June 30, 2001, thus requiring a sales tax to be paid on
vehicles leased by nonresidents and intended for use outside of
the State. This bill repeals the sunset provision.