

MAINE STATE LEGISLATURE

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120th MAINE LEGISLATURE

FIRST REGULAR SESSION-2001

Legislative Document

No. 1551

H.P. 1148

House of Representatives, March 8, 2001

**An Act to Require That the Excise Tax on Motor Vehicles Be
Reasonably Linked to the Value of the Motor Vehicle.**

Reference to the Committee on Taxation suggested and ordered printed.

Millicent M. MacFarland

MILLICENT M. MacFARLAND, Clerk

Presented by Representative GLYNN of South Portland.

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

2 **Sec. 1. 29-A MRSA §531, sub-§6**, as enacted by PL 1995, c. 440,
4 §1 and affected by §5, is amended to read:

6 **6. Excise tax on commercial vehicles operated by**
7 **nonresident owners.** Nonresident owners of motor vehicles paying
8 an apportioned registration fee to the State through the
9 International Registration Plan shall pay to the Secretary of
10 State an apportioned excise tax determined by multiplying the
11 apportioned mileage percentage by the purchase price of the
12 vehicle and by the appropriate ~~mill-rate~~ excise tax for the model
13 year as determined in Title 36, section 1482, subsection 1,
14 paragraph C.

16 **Sec. 2. 29-A MRSA §533-A, sub-§3, ¶A**, as enacted by PL 1997,
17 c. 505, §2, is amended to read:

18 A. Between July 1st and September 30th, the Secretary of
19 State shall disburse to a participating municipality a sum
20 equal to the difference in the amount of excise tax that
21 would have been collected by that municipality in the prior
22 fiscal year on each commercial motor vehicle under Title 36,
23 section 1482, subsection 1, paragraph C, ~~subparagraph (3)~~
24 using the manufacturer's suggested retail price from the
25 amount of that excise tax actually collected by that
26 municipality in the prior fiscal year based on the actual
27 purchase price. The Secretary of State shall provide
28 supporting documentation to a municipality regarding the
29 disbursement that municipality receives under this section.

32 **Sec. 3. 36 MRSA §1482, sub-§1, ¶C**, as amended by PL 1995, c.
33 645, Pt. B, §23 and affected by §24, is repealed and the
34 following enacted in its place:

35 C. For the privilege of operating a motor vehicle or camper
36 trailer on the public ways, each motor vehicle, other than a
37 stock race car, or each camper trailer to be so operated is
38 subject to excise tax that is reasonable and linked to the
39 actual value of the motor vehicle or camper trailer, as
40 determined through rules adopted by the Secretary of State.
41 Rules adopted pursuant to this paragraph are major
42 substantive rules as defined in Title 5, chapter 375,
43 subchapter II-A.

45 **Sec. 4. Rulemaking.** The Secretary of State shall propose
46 rules in accordance with section 3 of this Act, linking the
47 excise tax to the actual value of the vehicle, as evidenced by
48 factors including, but not limited to, the initial purchase
49 price, depreciation, comparable worth and values included in the
50 various

2 so-called blue books. Rules adopted pursuant to this section
must be in place no later than July 1, 2002.

4 **Sec. 5. Effective date.** This Act takes effect July 1, 2002,
except that section 4 of this Act takes effect 90 days after
6 adjournment of the First Regular Session of the 120th Legislature.

8
10 **SUMMARY**

This bill eliminates the existing language governing the
12 excise tax on motor vehicles and camper trailers, effective July
1, 2002, and replaces it with language linking the excise tax to
14 the actual value of the motor vehicle or camper trailer, as
determined through rules adopted by the Secretary of State.
16 Rulemaking conducted pursuant to this directive is major
substantive rulemaking.