

MAINE STATE LEGISLATURE

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121st MAINE LEGISLATURE

FIRST REGULAR SESSION-2003

Legislative Document

No. 1071

H.P. 789

House of Representatives, March 4, 2003

An Act To Encourage the Use of Clean Fuel Vehicles

Reference to the Committee on Taxation suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative EDER of Portland.
Cosponsored by Representatives: PIOTTI of Unity, THOMAS of Orono, TWOMEY of Biddeford.

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

4 **Sec. 1. 36 MRSA §1760, sub-§79**, as enacted by PL 1997, c. 791,
Pt. A. §2, is repealed.

6 **Sec. 2. 36 MRSA §1760, sub-§79-A** is enacted to read:

8 **79-A. Exemption for clean fuel vehicles.** An amount of the
10 sales or lease price or conversion cost of a clean fuel vehicle,
as specified in this subsection:

12 A. For a new hybrid gasoline-electric, fuel-cell or
14 hydrogen-fueled vehicle, 100% of the sales or lease price;
and

16 B. For a converted gasoline-fueled or diesel-fueled motor
18 vehicle, 100% of the cost allocated to the cost of
conversion.

20 **Sec. 3. 36 MRSA §1817** is enacted to read:

22 **§1817. Low-mileage vehicle surcharge; dedication of revenue**

24 In addition to taxes imposed under this Title, every
26 low-mileage vehicle that is purchased or leased for more than one
year in this State is subject to an additional surcharge of 5% of
28 the sales or lease price. For purposes of this section, a
"low-mileage vehicle" is a motor vehicle that does not meet or
30 exceed the Corporate Average Fuel Economy standard of 27.5 miles
per gallon or any subsequent standard. This section does not
32 apply to a commercial motor vehicle, as defined in Title 29-A,
section 101, subsection 17.

34 All revenue collected pursuant to this section accrues to a
36 dedicated revenue account for use by the Department of
Environmental Protection, Bureau of Air Quality.

38 **SUMMARY**

40 Current law provides a sales tax exemption for clean fuel
42 vehicles, defined as vehicles that may be propelled by a clean
44 fuel or a fuel-cell electric vehicle that uses any fuel, but only
up to the amount that the clean fuel vehicle price exceeds the
price of a gasoline or diesel internal combustion vehicle.

46 This bill exempts from the sales tax 100% of the sale or
48 lease price of a new hybrid gasoline-electric, fuel-cell or
hydrogen-fueled vehicle and 100% of the cost allocated to the
50 cost of conversion of a converted gasoline or diesel-fueled motor
vehicle.

2 This bill also places a 5% surcharge on the purchase or
4 lease for more than one year of a vehicle that does not attain at
6 least 27.5 miles per gallon, as found in the so-called "CAFE
 standards." The surcharge does not apply to commercial motor
 vehicles.