

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)



122nd MAINE LEGISLATURE

FIRST REGULAR SESSION-2005

Legislative Document

No. 305

H.P. 229

House of Representatives, January 19, 2005

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.

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 A, §2, is repealed.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 vehicle converted from a gasoline-fueled or
18 diesel-fueled motor vehicle to a clean fuel 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
28 year in this State is subject to an additional surcharge of 5% of
30 the sales or lease price. For purposes of this section, a
32 "low-mileage vehicle" is a motor vehicle that does not meet or
exceed the federal Corporate Average Fuel Economy standard of
27.5 miles per gallon or any subsequent standard. This section
does not 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
42 Current law provides a sales tax exemption for a clean fuel
44 vehicle, defined as a vehicle that may be propelled by a clean
46 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-fueled or diesel-fueled internal-combustion
vehicle.

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

2 cost of converting a gasoline-fueled or diesel-fueled motor
vehicle to a clean fuel vehicle.

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