

MAINE STATE LEGISLATURE

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122nd MAINE LEGISLATURE

FIRST REGULAR SESSION-2005

Legislative Document

No. 778

H.P. 555

House of Representatives, February 15, 2005

An Act To Exempt the Sale of Electric, Hybrid or Hydrogen-Fueled Vehicles from State Sales Tax and Excise Tax

Reference to the Committee on Taxation suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative CRESSEY of Cornish.
Cosponsored by Senator SNOWE-MELLO of Androscoggin and
Representatives: GERZOFSKY of Brunswick, HAMPER of Oxford, MAREAN of Hollis,
NASS of Acton, RINES of Wiscasset, SMITH of Monmouth, THOMPSON of China,
WALCOTT of Lewiston.

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

Sec. 1. 36 MRSA §1482, sub-§1, ¶C, as amended by PL 2001, c. 671, §32, is further amended to read:

C. For the privilege of operating a motor vehicle or camper trailer on the public ways, each motor vehicle, other than a stock race car, ~~or~~ and each camper trailer to be so operated is subject to excise tax as follows, except as specified in ~~subparagraph~~ subparagraphs (3) and (4): a sum equal to 24 mills on each dollar of the maker's list price for the first or current year of model, 17 1/2 mills for the 2nd year, 13 1/2 mills for the 3rd year, 10 mills for the 4th year, 6 1/2 mills for the 5th year and 4 mills for the 6th and succeeding years. The minimum tax is \$5 for a motor vehicle other than a bicycle with motor attached, \$2.50 for a bicycle with motor attached, \$15 for a camper trailer other than a tent trailer and \$5 for a tent trailer. The excise tax on a stock race car is \$5.

(1) On new registrations of automobiles, trucks and truck tractors, the excise tax payment must be made prior to registration and is for a one-year period from the date of registration.

(2) Vehicles registered under the International Registration Plan are subject to an excise tax determined on a monthly proration basis if their registration period is less than 12 months.

(3) For commercial vehicles manufactured in model year 1996 and after, the amount of excise tax due for trucks or truck tractors registered for more than 26,000 pounds and for Class A special mobile equipment, as defined in Title 29-A, section 101, subsection 70, is based on the purchase price in the original year of title rather than on the list price. Verification of purchase price for the application of excise tax is determined by the initial bill of sale or the state sales tax document provided at point of purchase. The initial bill of sale is that issued by the dealer to the initial purchaser of a new vehicle.

(4) For a hybrid gasoline-electric vehicle or a fuel-cell-fueled or hydrogen-fueled vehicle, no excise tax is due for the first 3 model years of the vehicle. Beginning with the 4th year, the excise tax due is as follows: a sum equal to 10 mills on each dollar of the maker's list price for the current year of model for the 4th year, 6 1/2 mills for the 5th year and 4 mills for the 6th and succeeding years.

2 For motor vehicles being registered pursuant to Title 29-A,
section 405, subsection 1, paragraph C, the excise tax must
be prorated for the number of months in the registration.

4
6 **Sec. 2. 36 MRSA §1752, sub-§1-G**, as enacted by PL 1997, c.
791, Pt. A, §1, is repealed.

8 **Sec. 3. 36 MRSA §1760, sub-§79**, as enacted by PL 1997, c. 791,
Pt. A, §2, is repealed.

10 **Sec. 4. 36 MRSA §1760, sub-§79-A** is enacted to read:

12 **79-A. Clean fuel vehicles.** The amount of the sale or lease
14 price of a new hybrid gasoline-electric vehicle or a
fuel-cell-fueled or hydrogen-fueled vehicle.

18 SUMMARY

20 Current law provides a sales tax exemption for a clean fuel
vehicle, defined as a vehicle that may be propelled by a clean
22 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
24 price of a gasoline-fueled or diesel-fueled internal combustion
vehicle.

26 This bill exempts from the sales tax 100% of the sale or
28 lease price of a new hybrid gasoline-electric vehicle or a
fuel-cell-fueled or hydrogen-fueled vehicle. This bill also
30 exempts, for the first 3 model years of a hybrid
gasoline-electric vehicle or a fuel-cell-fueled or
32 hydrogen-fueled vehicle, the excise tax due on the vehicle.
After the first 3 years, the rate of excise tax is the same as on
34 other motor vehicles of the same age.