

# MAINE STATE LEGISLATURE

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# 123rd MAINE LEGISLATURE

## FIRST REGULAR SESSION-2007

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Legislative Document

No. 79

H.P. 77

House of Representatives, January 9, 2007

### An Act To Repeal the Excise Tax on New Motor Vehicles

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Reference to the Committee on Taxation suggested and ordered printed.

*Millicent M. MacFarland*  
MILLICENT M. MacFARLAND  
Clerk

Presented by Representative McDONOUGH of Scarborough. (BY REQUEST)  
Cosponsored by Representatives: CRESSEY of Cornish, GIFFORD of Lincoln, MAREAN of Hollis.

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

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

4 C. For the privilege of operating a motor vehicle or camper trailer on the public  
5 ways, each motor vehicle, other than a stock race car, or each camper trailer to be so  
6 operated is subject to excise tax as follows, except as specified in subparagraph (3): a  
7 ~~sum equal to 24 mills on each dollar of the maker's list price for the first or current~~  
8 ~~year of model~~; 17 1/2 mills for the 2nd year, 13 1/2 mills for the 3rd year, 10 mills for  
9 the 4th year, 6 1/2 mills for the 5th year and 4 mills for the 6th and succeeding years.  
10 The minimum tax is \$5 for a motor vehicle other than a bicycle with motor attached,  
11 \$2.50 for a bicycle with motor attached, \$15 for a camper trailer other than a tent  
12 trailer and \$5 for a tent trailer. The excise tax on a stock race car is \$5.

13 (1) ~~On new registrations~~ Registrations of new automobiles, trucks and truck  
14 ~~tractors, the excise tax payment must be made prior to registration and is~~  
15 purchased from a motor vehicle dealer licensed in any state for the sale of new  
16 motor vehicles are exempt from the excise tax under this section for a one-year  
17 period from the date of registration.

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

21 (3) For commercial vehicles manufactured in model year 1996 and after, the  
22 amount of excise tax due for trucks or truck tractors registered for more than  
23 26,000 pounds and for Class A special mobile equipment, as defined in Title 29-  
24 A, section 101, subsection 70, is based on the purchase price in the original year  
25 of title rather than on the list price. Verification of purchase price for the  
26 application of excise tax is determined by the initial bill of sale or the state sales  
27 tax document provided at point of purchase. The initial bill of sale is that issued  
28 by the dealer to the initial purchaser of a new vehicle.

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

32 **Sec. 2. 36 MRSA §1482, sub-§4, ¶A**, as enacted by PL 1997, c. 200, §1, is  
33 amended to read:

34 A. ~~At the time of payment of the excise tax prior to a new registration for a new~~  
35 ~~passenger vehicle purchased from a motor vehicle dealer licensed in any state for the~~  
36 ~~sale of new passenger vehicles, the owner shall submit the manufacturer's suggested~~  
37 ~~retail price sticker, or a copy of the sticker, to the excise tax collector.~~ In the case of  
38 rental and fleet vehicles, other documentation may be provided at the discretion of  
39 the municipal excise tax collector.

40 ~~This paragraph applies only to those vehicles for which a manufacturer's suggested~~  
41 ~~retail price sticker is required by the Federal Government.~~

**SUMMARY**

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This bill exempts new motor vehicles from the excise tax.