

# MAINE STATE LEGISLATURE

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# 123rd MAINE LEGISLATURE

## FIRST REGULAR SESSION-2007

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Legislative Document

No. 460

H.P. 359

House of Representatives, January 30, 2007

### **An Act To Amend the Municipal Excise Tax Reimbursement Fund Law**

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Submitted by the Secretary of State pursuant to Joint Rule 204.  
Reference to the Committee on Taxation suggested and ordered printed.

*Millicent M. MacFarland*  
MILLCENT M. MacFARLAND  
Clerk

Presented by Representative FISHER of Brewer.  
Cosponsored by Representatives: BROWNE of Vassalboro, GERZOFKY of Brunswick,  
MARLEY of Portland.

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

2 **Sec. 1. 29-A MRSA §533-A, sub-§3, ¶A**, as amended by PL 2001, c. 361, §15,  
3 is further amended to read:

4 A. Between July 1st and October 31st, the Secretary of State shall disburse to a  
5 participating municipality a sum equal to the difference in the amount of excise tax  
6 that would have been collected by that municipality in the prior fiscal year on each  
7 commercial motor vehicle under Title 36, section 1482, subsection 1, paragraph C,  
8 subparagraph (3) using the manufacturer's suggested retail price from the amount of  
9 that excise tax actually collected by that municipality in the prior fiscal year based on  
10 the actual purchase price. The reimbursement is limited to vehicles 6 years old or  
11 less determined by the model year. The Secretary of State shall provide supporting  
12 documentation to a municipality regarding the disbursement that municipality  
13 receives under this section.

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

16 C. For the privilege of operating a motor vehicle or camper trailer on the public  
17 ways, each motor vehicle, other than a stock race car, or each camper trailer to be so  
18 operated is subject to excise tax as follows, except as specified in subparagraph (3): a  
19 sum equal to 24 mills on each dollar of the maker's list price for the first or current  
20 year of model, 17 1/2 mills for the 2nd year, 13 1/2 mills for the 3rd year, 10 mills for  
21 the 4th year, 6 1/2 mills for the 5th year and 4 mills for the 6th and succeeding years.  
22 The minimum tax is \$5 for a motor vehicle other than a bicycle with motor attached,  
23 \$2.50 for a bicycle with motor attached, \$15 for a camper trailer other than a tent  
24 trailer and \$5 for a tent trailer. The excise tax on a stock race car is \$5.

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

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

31 (3) For ~~commercial vehicles manufactured in model year 1996 and after~~ the first  
32 6 tax years, the amount of excise tax due for trucks or truck tractors registered for  
33 more than 26,000 pounds and for Class A special mobile equipment, as defined  
34 in Title 29-A, section 101, subsection 70, is based on the purchase price in the  
35 original year of title rather than on the list price. For the 7th and subsequent tax  
36 years, the excise tax is based on the vehicle's list price. Verification of purchase  
37 price for the application of excise tax is determined by the initial bill of sale or  
38 the state sales tax document provided at point of purchase. The initial bill of sale  
39 is that issued by the dealer to the initial purchaser of a new vehicle.

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

1 **SUMMARY**

2 This bill accomplishes the following.

3 1. It amends the reimbursement procedure for municipalities with respect to excise  
4 tax on trucks more than 6 years old and registered for more than 26,000 pounds.  
5 Reimbursement is limited to the first 6 registration years.

6 2. Currently, the excise tax on trucks and truck tractors manufactured in model year  
7 1996 and after that are registered for more than 26,000 pounds is based on the actual sales  
8 price rather than the manufacturer's suggested retail price, or "MSRP". For most motor  
9 vehicles, the MSRP is the basis for the municipal excise tax calculation. However,  
10 trucks purchased new often are traded within 3 years and the information on the original  
11 sales price often is unavailable.

12 This bill continues the current excise tax calculation method for trucks for the first 6  
13 tax years, but for the 7th and subsequent tax years the excise tax is based on the vehicle's  
14 list price.