

MAINE STATE LEGISLATURE

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123rd MAINE LEGISLATURE

FIRST REGULAR SESSION-2007

Legislative Document

No. 1131

H.P. 824

House of Representatives, March 7, 2007

An Act To Establish a Sales Tax Rebate for Certain Vehicles

Reference to the Committee on Taxation suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative PLUMMER of Windham.
Cosponsored by Senator DIAMOND of Cumberland and
Representatives: AUSTIN of Gray, BROWNE of Vassalboro, BRYANT of Windham, CEBRA
of Naples, FLOOD of Winthrop, GERZOFSKY of Brunswick, HANLEY of Gardiner,
SAVAGE of Falmouth.

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

2 **Sec. 1. 36 MRSA §1765, sub-§1**, as repealed and replaced by PL 1987, c. 402,
3 Pt. A, §180, is amended to read:

4 **1. Motor vehicles.** Motor vehicles. For purposes of this subsection, “traded in”
5 includes the sale of a motor vehicle within 6 months after the purchase of another motor
6 vehicle on which tax has been paid as required by this Part. A person seeking a credit
7 under this subsection for sales tax paid shall provide to the assessor, in a form acceptable
8 to the assessor, proof of the sale and the price for which the vehicle was sold;

9 **Sec. 2. Application.** This Act applies to sales of motor vehicles against which a
10 trade-in allowance may be taken occurring on or after October 1, 2007.

11 **SUMMARY**

12 Current law allows a person who trades in a motor vehicle at the time of purchase of
13 another motor vehicle to deduct, for purposes of calculating the sales tax due on the new
14 motor vehicle, the trade-in allowance for the old motor vehicle from the purchase price of
15 the new motor vehicle.

16 This bill extends that provision to allow the trade-in allowance, and subsequent sales
17 tax credit, to apply to the sale of the old motor vehicle within 6 months after the purchase
18 of the new motor vehicle.