

# MAINE STATE LEGISLATURE

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# 123rd MAINE LEGISLATURE

## FIRST REGULAR SESSION-2007

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Legislative Document

No. 1342

H.P. 951

House of Representatives, March 12, 2007

**An Act To Enhance Energy Security by Requiring Greater Fuel  
Efficiency**

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Reference to the Committee on Taxation suggested and ordered printed.

*Millicent M. MacFarland*  
MILLICENT M. MacFARLAND  
Clerk

Presented by Representative HINCK of Portland.  
Cosponsored by Representatives: BERRY of Bowdoinham, BLISS of South Portland, BURNS  
of Berwick, FLETCHER of Winslow, PIOTTI of Unity, WATSON of Bath, WEDDELL of  
Frankfort, Senator: ROSEN of Hancock.

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

2 **Sec. 1. 29-A MRSA §501, sub-§3**, as enacted by PL 1993, c. 683, Pt. A, §2 and  
3 as affected by Pt. B, §5, is amended to read:

4 **3. Passenger vehicles for hire.** The fee for a passenger vehicle used for hire is  
5 double the fee provided in subsection 1. The Secretary of State may issue a 2nd  
6 registration for the same vehicle at no additional fee. Beginning in fiscal year 2007-08, a  
7 passenger vehicle used for hire, not including a taxicab or limousine, that is offered for a  
8 rental period of less than one year, of which over 50% of its mileage is driven in the State  
9 and that has a fuel efficiency that is at least 50% higher than the federal corporate average  
10 fuel efficiency standards or successor federal fuel economy standard as required by 49  
11 United States Code, Chapter 329, is exempt from a fee under this subsection and  
12 subsection 3-A.

13 **Sec. 2. 29-A MRSA §501, sub-§3-A** is enacted to read:

14 **3-A. Additional fee.** Beginning in fiscal year 2007-08, an additional fee must be  
15 paid under this subsection for a passenger vehicle used for hire, not including a taxicab  
16 or limousine, that is offered for a rental period of less than one year, of which over 50%  
17 of its mileage is driven in the State and that does not qualify for an exemption under  
18 subsection 3. At the end of a fiscal year, the Secretary of State shall calculate the loss of  
19 revenue from the total number of exemptions under subsection 3 for that fiscal year and  
20 assess a fee in an amount equal to the amount of revenue lost for the previous fiscal year  
21 and the cost of administering this subsection apportioned pro rata among the passenger  
22 vehicles subject to the fee under this subsection.

23 **Sec. 3. 36 MRSA §1482, sub-§8** is enacted to read:

24 **8. Passenger vehicles used for hire.** Beginning in fiscal year 2007-08, an additional  
25 tax must be paid under this subsection for a passenger vehicle used for hire, not including  
26 a taxicab or limousine, that is offered for a rental period of less than one year, of which  
27 over 50% if its mileage is driven in the State and that does not qualify for an exemption  
28 under section 1483, subsection 16. The tax collected under this subsection must be  
29 collected by the assessor. At the end of a fiscal year, the assessor shall calculate the loss  
30 of revenue from the total number of exemptions under section 1483, subsection 16 for  
31 that fiscal year and assess a tax in an amount equal to the amount of revenue lost for the  
32 previous fiscal year and the cost of administering this subsection apportioned pro rata  
33 among the passenger vehicles subject to the tax under this subsection. The assessor shall  
34 distribute the proceeds from the tax under this subsection to a municipality in an amount  
35 equal to the amount of tax the municipality lost due to an exemption under section 1483,  
36 subsection 16.

37 **Sec. 4. 36 MRSA §1483, sub-§16** is enacted to read:

38 **16. Fuel-efficient passenger vehicles for hire.** Beginning in fiscal year 2007-08, a  
39 passenger vehicle used for hire, not including a taxicab or limousine, that is offered for a  
40 rental period of less than one year, of which over 50% of its mileage is driven in the State

1 and that has a fuel efficiency that is at least 50% higher than the federal corporate average  
2 fuel efficiency standards or successor federal fuel economy standard as required by 49  
3 United States Code, Chapter 329, is exempt from a tax under this subsection and  
4 subsection 8.

5 **Sec. 5. Initial tax year for additional registration fee.** For fiscal year 2007-  
6 08, the Secretary of State shall estimate the amount of revenue lost due to exemptions  
7 under the Maine Revised Statutes, Title 29-A, section 501, subsection 3 to calculate and  
8 assess the additional fee required under Title 29-A, section 501, subsection 3-A.

9 **Sec. 6. Initial tax year for additional excise tax.** For fiscal year 2007-08, the  
10 State Tax Assessor within the Department of Administrative and Financial Services,  
11 Bureau of Revenue Services shall estimate the amount of revenue lost due to exemptions  
12 under Title 36, section 1483, subsection 16 to calculate and assess the additional tax  
13 required under Title 36, section 1482, subsection 8.

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## SUMMARY

15 This bill exempts rental cars of which of 50% of their mileage is driven in Maine that  
16 have a fuel efficiency of at least 50% higher than the federal average fuel economy  
17 standards set by the Federal Government from the registration fee and excise tax for  
18 motor vehicles and charges an additional registration fee and excise tax for rental cars  
19 that are not exempt in an amount that equals the amount of exemptions given.