

MAINE STATE LEGISLATURE

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File

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Date: 4/9/18

L.D. 2270

(Filing No. H-974)

Minority
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STATE OF MAINE
HOUSE OF REPRESENTATIVES
123RD LEGISLATURE
FIRST SPECIAL SESSION

COMMITTEE AMENDMENT "A" to H.P. 1633, L.D. 2270, Bill, "An Act To Change the Formula for Calculation of the Motor Vehicle Excise Tax"

Amend the bill by inserting after the enacting clause and before section 1 the following:

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

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

Amend the bill in section 1 in paragraph C by striking out all of subparagraph (3) and inserting the following:

~~'(3) For commercial vehicles manufactured in model year 1996 and after the first 7 model years,~~ 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. For the 8th and subsequent model years, the excise tax is based on the vehicle's 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

COMMITTEE AMENDMENT

RdS

COMMITTEE AMENDMENT "A" to H.P. 1633, L.D. 2270

1 purchase. The initial bill of sale is that issued by the dealer to the initial
2 purchaser of a new vehicle.'

3 Amend the bill by inserting after section 1 the following:

4 'Sec. 2. Effective date. This Act takes effect January 1, 2009.'

5 Amend the bill by relettering or renumbering any nonconsecutive Part letter or
6 section number to read consecutively.

7 **SUMMARY**

8 This amendment limits to the first 7 model years reimbursement to municipalities
9 with respect to excise tax on trucks registered for more than 26,000 pounds.

10 Currently, the excise tax on trucks and truck tractors manufactured in model year
11 1996 and after 1996 that are registered for more than 26,000 pounds is based on the
12 actual sales price rather than the manufacturer's suggested retail price. For most motor
13 vehicles, the manufacturer's suggested retail price is the basis for the municipal excise tax
14 calculation.

15 The amendment continues the current excise tax calculation method for trucks for the
16 first 7 model years, but for the 8th and subsequent model years, the excise tax is based on
17 the vehicle's list price.

18 Finally, the amendment adds an effective date to provide for a definitive
19 implementation date so that municipalities, their systems vendors and the State can
20 provide for an orderly implementation.

21 **FISCAL NOTE REQUIRED**
22 **(See attached)**



123rd MAINE LEGISLATURE

LD 2270

LR 3565(02)

An Act To Change the Formula for Calculation of the Motor Vehicle Excise Tax

Fiscal Note for Bill as Amended by Committee Amendment "A"

Committee: Taxation

Fiscal Note Required: Yes

Fiscal Note

	2007-08	2008-09	Projections 2009-10	Projections 2010-11
Revenue				
Other Special Revenue Funds	\$0	\$25,000	\$50,000	\$50,000

Fiscal Detail and Notes

Limiting the Municipal Excise Tax Reimbursement Program to vehicles 7 years old or less will increase the amount remaining in the Other Special Revenue Funds account within the Secretary of State in fiscal year 2008-09 by \$25,000.