

MAINE STATE LEGISLATURE

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123rd MAINE LEGISLATURE

SECOND REGULAR SESSION-2008

Legislative Document

No. 2270

H.P. 1633

House of Representatives, March 20, 2008

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

Reported by Representative PIOTTI of Unity for the Joint Standing Committee on Taxation pursuant to Resolve 2007, chapter 107.

Reference to the Committee on Taxation suggested and ordered printed under Joint Rule 218.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

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:

C. For the privilege of operating a motor vehicle or camper trailer on the public ways, each motor vehicle, other than a stock race car, or each camper trailer to be so operated is subject to excise tax as follows, except as specified in subparagraph (3): a sum equal to 24 21 mills on each dollar of the maker's list price for the first or current year of model, 17 1/2 18 mills for the 2nd year, 13 1/2 15 mills for the 3rd year, 10 11 mills for the 4th year, 6 1/2 7 mills for the 5th year, 4.5 mills for the 6th year, 4 mills for the 7th year and 4 3.5 mills for the 6th 8th and succeeding years. The minimum tax is \$5 for a motor vehicle other than a bicycle with motor attached, \$2.50 for a bicycle with motor attached, \$15 for a camper trailer other than a tent trailer and \$5 for a tent trailer. The excise tax on a stock race car is \$5.

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

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

(3) For commercial vehicles manufactured in model year 1996 and after, 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. 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 purchase. The initial bill of sale is that issued by the dealer to the initial purchaser of a new vehicle.

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

31 SUMMARY

32 This bill reduces the motor vehicle excise tax in the first year and the 8th and
33 subsequent years, increases the tax in the 2nd to 7th year and lengthens the schedule for
34 reduction of the tax to recognize that motor vehicles have a longer useful life on average
35 than when the current formula was adopted.