

MAINE STATE LEGISLATURE

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L.D. 79

Date: 4/20/11

Minority

(Filing No. H-111)

TAXATION

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
125TH LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 67, L.D. 79, Bill, "An Act To Base the Excise Tax on Vehicles on a Percentage of the Manufacturer's Suggested Retail Price"

Amend the bill in section 1 in paragraph C in the 2nd line from the end (page 1, line 30 in L.D.) by striking out the following: "90%" and inserting the following: '95%'

Amend the bill by inserting after section 2 the following:

Sec. 3. Appropriations and allocations. The following appropriations and allocations are made.

**SECRETARY OF STATE, DEPARTMENT OF
Municipal Excise Tax Reimbursement Fund 0871**

Initiative: Deallocates funds by changing the method by which municipalities are reimbursed through the Municipal Excise Tax Reimbursement Fund.

OTHER SPECIAL REVENUE FUNDS	2011-12	2012-13
All Other	(\$47,402)	(\$63,203)
OTHER SPECIAL REVENUE FUNDS TOTAL	<u>(\$47,402)</u>	<u>(\$63,203)</u>

SUMMARY

This amendment changes the percentage on which the excise tax is to be based from 90% of the manufacturer's suggested retail price for the motor vehicle to 95% of the manufacturer's suggested retail price. The amendment also adds an appropriations and allocations section.

FISCAL NOTE REQUIRED
(See attached)

COMMITTEE AMENDMENT



125th MAINE LEGISLATURE

LD 79

LR 477(02)

An Act To Base the Excise Tax on Vehicles on a Percentage of the Manufacturer's Suggested Retail Price

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

Committee: Taxation

Fiscal Note Required: Yes

Fiscal Note

	FY 2011-12	FY 2012-13	Projections FY 2013-14	Projections FY 2014-15
Net Cost (Savings)				
General Fund	\$11,893	\$15,857	\$15,857	\$15,857
Highway Fund	(\$47,402)	(\$63,203)	(\$63,203)	(\$63,203)
Appropriations/Allocations				
Other Special Revenue Funds	(\$47,402)	(\$63,203)	(\$63,203)	(\$63,203)
Revenue				
General Fund	(\$11,893)	(\$15,857)	(\$15,857)	(\$15,857)
Highway Fund	\$47,402	\$63,203	\$63,203	\$63,203
Other Special Revenue Funds	(\$59,922)	(\$61,719)	(\$63,570)	(\$65,477)

Fiscal Detail and Notes

This bill proposes to reduce excise tax payments paid on motor vehicles to 95% of the manufacturer's suggested retail price. This will reduce motor vehicle excise tax revenues by 5% in the Unorganized Territory and decrease General Fund revenue from excise tax paid by out of state residents. It will also allow an Other Special Revenue Funds deallocation to the Secretary of State of \$47,402 in fiscal year 2011-12 and \$63,203 in fiscal year 2012-13 and beyond, since reimbursement to municipalities through the Municipal Excise Tax Reimbursement Fund will be decreased. Under current statute, the amount remaining in this Fund at the end of the year is transferred to the Highway Fund. Since payments deposited into the Municipal Excise Tax Reimbursement Fund through the International Registration Plan will not change under this legislation but the reimbursement to municipalities will decrease, the amount transferred to the Highway Fund will increase Highway Fund revenues by \$47,402 in fiscal year 2011-12 and \$63,203 in fiscal year 2012-13 and beyond.