

# MAINE STATE LEGISLATURE

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# 125th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2011

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Legislative Document

No. 436

S.P. 140

In Senate, February 10, 2011

### **An Act To Base the Motor Vehicle Excise Tax on the Purchase Price of a Motor Vehicle**

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Reference to the Committee on Taxation suggested and ordered printed.

*Joseph G. Carleton Jr.*

JOSEPH G. CARLETON, JR.  
Secretary of the Senate

Presented by Senator THOMAS of Somerset.

Cosponsored by Representative GIFFORD of Lincoln and

Senator: SNOWE-MELLO of Androscoggin, Representatives: CEBRA of Naples, CRAFTS of  
Lisbon, HARVELL of Farmington, McKANE of Newcastle.

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:

4 C. For the privilege of operating a motor vehicle, including a commercial motor  
5 vehicle as defined in Title 29-A, section 101, subsection 17, paragraph A and special  
6 mobile equipment as defined in Title 29-A, section 101, subsection 70, or camper  
7 trailer on the public ways, each motor vehicle, other than a stock race car, or each  
8 camper trailer to be so operated is subject to excise tax as follows, ~~except as specified~~  
9 ~~in subparagraph (3):~~ a sum equal to 24 mills on each dollar of the ~~maker's list~~  
10 purchase price for the first or current year of model, 17 1/2 mills for the 2nd year, 13  
11 1/2 mills for the 3rd year, 10 mills for the 4th year, 6 1/2 mills for the 5th year and 4  
12 mills for the 6th and succeeding years. The minimum tax is \$5 for a motor vehicle  
13 other than a bicycle with motor attached, \$2.50 for a bicycle with motor attached, \$15  
14 for a camper trailer other than a tent trailer and \$5 for a tent trailer. The excise tax on  
15 a stock race car is \$5. For the purposes of this paragraph, "purchase price" means the  
16 amount of money financed or paid by the consumer after any rebates, discounts or  
17 offers or promises that the consumer receive back all or a portion of the price paid.

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

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

24 ~~(3) For commercial vehicles manufactured in model year 1996 and after, the~~  
25 ~~amount of excise tax due for trucks or truck tractors registered for more than~~  
26 ~~26,000 pounds and for Class A special mobile equipment, as defined in Title 29-~~  
27 ~~A, section 101, subsection 70, is based on the purchase price in the original year~~  
28 ~~of title rather than on the list price.~~ Verification of purchase price for the  
29 application of excise tax is determined by the initial bill of sale or the state sales  
30 tax document provided at point of purchase. The initial bill of sale is that issued  
31 by the dealer to the initial purchaser of a new vehicle.

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

35 **SUMMARY**

36 This bill changes the method of computing the excise tax that is levied on motor  
37 vehicles and camper trailers registered in the State.

38 With the exception of commercial motor vehicles and special mobile equipment,  
39 current law requires that the excise tax be based upon the maker's list price for the motor  
40 vehicle; the excise tax on commercial motor vehicles and special mobile equipment is  
41 based on the purchase price.

1           This bill requires that the excise tax for all motor vehicles and camper trailers be  
2 based upon the purchase price of the vehicle and defines "purchase price" as the actual  
3 amount of money financed or paid by the consumer after any rebates or discounts. Either  
4 the original bill of sale or the state sales tax document may be used to verify the purchase  
5 price.