

MAINE STATE LEGISLATURE

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ZMG
6/5/15

L.D. 94

Date: 6/5/15

(Filing No. H- 327)

Minority TAXATION

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
127TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 77, L.D. 94, Bill, "An Act To Base the Excise Tax Imposed on the Purchase of a Motor Vehicle on the Price Paid"

Amend the bill by striking out the title and substituting the following:

'An Act To Reduce the Motor Vehicle Excise Tax Base'

Amend the bill by striking out everything after the enacting clause and before the summary and inserting the following:

'Sec. 1. 36 MRSA §1482, sub-§1, ¶C, as amended by PL 2013, c. 263, §1, is 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), (4) or (5): a sum equal to 24 mills on each dollar of the maker's list price for the first or current year of model, 17 1/2 mills for the 2nd year, 13 1/2 mills for the 3rd year, 10 mills for the 4th year, 6 1/2 mills for the 5th year and 4 mills for the 6th and succeeding years. Beginning January 1, 2017, the excise tax is imposed on 90% of the maker's list price. 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

COMMITTEE AMENDMENT

1 26,000 pounds and for Class A special mobile equipment, as defined in Title
2 29-A, section 101, subsection 70, is based on the purchase price in the original
3 year of title rather than on the list price. Verification of purchase price for the
4 application of excise tax is determined by the initial bill of sale or the state sales
5 tax document provided at point of purchase. The initial bill of sale is that issued
6 by the dealer to the initial purchaser of a new vehicle.

7 (4) For buses manufactured in model year 2006 and after, the amount of excise
8 tax due is based on the purchase price in the original year of title rather than on
9 the list price. Verification of purchase price for the application of excise tax is
10 determined by the initial bill of sale or the state sales tax document provided at
11 point of purchase. The initial bill of sale is that issued by the dealer to the initial
12 purchaser of a new vehicle.

13 (5) For trucks or truck tractors registered for more than 26,000 pounds that have
14 been reconstructed using a prepackaged kit that may include a frame, front axle
15 or body but does not include a power train or engine and for which a new
16 certificate of title is required to be issued, the amount of excise tax due is based
17 on the maker's list price of the prepackaged kit.

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

21 **SUMMARY**

22 This amendment replaces the bill and changes the title. The amendment provides
23 that, beginning January 1, 2017, the motor vehicle excise tax is imposed on 90% of the
24 maker's list price.



127th MAINE LEGISLATURE

LD 94

LR 152(02)

An Act To Base the Excise Tax Imposed on the Purchase of a Motor Vehicle on the Price Paid

Fiscal Note for Bill as Amended by Committee Amendment *A(H-327)*

Committee: Taxation

Fiscal Note Required: Yes

Fiscal Note

	FY 2015-16	FY 2016-17	Projections FY 2017-18	Projections FY 2018-19
Net Cost (Savings)				
General Fund	\$0	\$15,000	\$30,000	\$30,000
Highway Fund	\$0	\$0	(\$130,000)	(\$260,000)
Appropriations/Allocations				
Other Special Revenue Funds	\$0	\$0	(\$130,000)	(\$260,000)
Revenue				
General Fund	\$0	(\$15,000)	(\$30,000)	(\$30,000)
Highway Fund	\$0	\$0	\$130,000	\$260,000
Other Special Revenue Funds	\$0	(\$66,500)	(\$133,000)	(\$133,000)

Fiscal Detail and Notes

This bill proposes to reduce excise tax payments paid on motor vehicles by basing them on 90% of the maker's list price effective January 1, 2017. This will decrease General Fund revenue by \$15,000 in fiscal year 2016-17 related to excise tax paid by out of state residents. It will also result in a decrease in Other Special Revenue Funds revenue to the Department of Administrative and Financial Services of \$66,500 in fiscal year 2016-17 related to excise tax paid in the unorganized territories. It will also allow an Other Special Revenue Funds deallocation to the Secretary of State of \$130,000 in fiscal year 2017-18 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 \$130,000 in fiscal year 2017-18.

It is estimated that excise tax revenues to municipalities will decrease by approximately \$21 million annually.