



128th MAINE LEGISLATURE

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Legislative Document

No. 707

H.P. 498

House of Representatives, February 28, 2017

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

Reference to the Committee on Taxation suggested and ordered printed.

R(+ B. Hunt

ROBERT B. HUNT Clerk

Presented by Representative ORDWAY of Standish. (BY REQUEST) Cosponsored by Senator DOW of Lincoln and Representatives: HAGGAN of Hampden, HANINGTON of Lincoln, HAWKE of Boothbay Harbor, KINNEY of Limington, PICKETT of Dixfield, STETKIS of Canaan, TIMBERLAKE of Turner, Senator: CUSHING of Penobscot.

1 Be it enacted by the People of the State of Maine as follows:

Sec. 1. 36 MRSA §1482, sub-§1, ¶C, as amended by PL 2013, c. 263, §1, is
 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, paragraphs A and B and special mobile equipment as defined in Title 29-A, section 101, subsection 70, or 6 camper trailer on the public ways, each motor vehicle, other than a stock race car, or 7 8 each camper trailer to be so operated is subject to excise tax as follows, except as 9 specified in subparagraph (3), (4) or (5): a sum equal to 24 mills on each dollar of the 10 maker's list purchase 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 11 5th year and 4 mills for the 6th and succeeding years. The minimum tax is \$5 for a 12 motor vehicle other than a bicycle with motor attached, \$2.50 for a bicycle with 13 14 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. 15

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

22 (3) For commercial vehicles manufactured in model year 1996 and after, the 23 amount of excise tax due for trucks or truck tractors registered for more than 24 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 25 year of title rather than on the list price. Verification of purchase price for the 26 27 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 28 29 by the dealer to the initial purchaser of a new vehicle.

30(4) For buses manufactured in model year 2006 and after, the amount of excise31tax due is based on the purchase price in the original year of title rather than on32the list price. Verification of purchase price for the application of excise tax is33determined by the initial bill of sale or the state sales tax document provided at34point of purchase. The initial bill of sale is that issued by the dealer to the initial35purchaser of a new vehicle.

36(5) For trucks or truck tractors registered for more than 26,000 pounds that have37been reconstructed using a prepackaged kit that may include a frame, front axle38or body but does not include a power train or engine and for which a new39certificate of title is required to be issued, the amount of excise tax due is based40on the maker's list price of the prepackaged kit.

41 For motor vehicles being registered pursuant to Title 29-A, section 405, subsection 1, 42 paragraph C, the excise tax must be prorated for the number of months in the 43 registration. 1 Sec. 2. 36 MRSA §1482, sub-§4, as amended by PL 2013, c. 263, §2, is further 2 amended to read:

4. Maker's list price. The maker's list price of a vehicle to be used must be obtained
from sources approved by the State Tax Assessor, except for a truck or truck tractor
described under subsection 1, paragraph C, subparagraph (5). When the maker's list price
of a vehicle is not readily obtainable the State Tax Assessor shall prescribe the maker's
list price to be used or the manner in which the maker's list price is determined.

8 A. At the time of payment of the excise tax prior to a new registration for a new 9 passenger vehicle purchased from a motor vehicle dealer licensed in any state for the 10 sale of new passenger vehicles, the owner shall submit the manufacturer's suggested 11 retail price sticker, or a copy of the sticker, to the excise tax collector. In the case of 12 rental and fleet vehicles, other documentation may be provided at the discretion of 13 the municipal excise tax collector.

14 This paragraph applies only to those vehicles for which a manufacturer's suggested 15 retail price sticker is required by the Federal Government.

16 SUMMARY

17 This bill changes the method of computing the excise tax that is levied on motor 18 vehicles and camper trailers registered in the State.

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

This bill requires that the excise tax for all motor vehicles and camper trailers be based upon the purchase price of the vehicle. Either the original bill of sale or the state sales tax document may be used to verify the purchase price.