

# MAINE STATE LEGISLATURE

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Date: 3/26/2018 Minority

L.D. 1687  
(Filing No. S-421)

**TAXATION**

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**STATE OF MAINE  
SENATE  
128TH LEGISLATURE  
SECOND REGULAR SESSION**

COMMITTEE AMENDMENT "A" to S.P. 623, L.D. 1687, Bill, "An Act To Amend the Laws Governing the Calculation of Excise Tax on Automobiles"

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)~~, (5) or (6): 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. 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

**COMMITTEE AMENDMENT**

11.03

1 tax document provided at point of purchase. The initial bill of sale is that issued  
2 by the dealer to the initial purchaser of a new vehicle.

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

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

14 (6) For motor vehicles purchased after December 31, 2018 from a new vehicle  
15 dealer, as defined in Title 29-A, section 851, subsection 9, or a used car dealer, as  
16 defined in Title 29-A, section 851, subsection 11, the amount of excise tax due is  
17 based on the purchase price of the motor vehicle. Notwithstanding section 1481,  
18 subsection 7, for the purposes of this subparagraph, "purchase price" means the  
19 amount of money financed or paid by the consumer after application of any  
20 trade-ins, rebates or discounts or offers or promises that the consumer receive  
21 back all or a portion of the price paid. Verification of purchase price for the  
22 application of excise tax is determined by the bill of sale or the state sales tax  
23 document provided by the dealer at point of purchase.

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

27 **SUMMARY**

28 This amendment provides that, for a motor vehicle purchased after December 31,  
29 2018, the motor vehicle excise tax must be based on the purchase price for the motor  
30 vehicle if purchased from a new vehicle dealer or a used car dealer. For other motor  
31 vehicles, the excise tax continues to be based on the maker's list price.

32 **FISCAL NOTE REQUIRED**

33 (See attached)



Approved: 02/28/18 *MAC*

# 128th MAINE LEGISLATURE

LD 1687

LR 2509(02)

An Act To Amend the Laws Governing the Calculation of Excise Tax on Automobiles

Fiscal Note for Bill as Amended by Committee Amendment "A" (S-421)

Committee: Taxation

Fiscal Note Required: Yes

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## Fiscal Note

Current biennium revenue decrease - Municipalities

### Fiscal Detail and Notes

Changing the excise tax calculation from the maker's list price to the purchase price for certain sales would result in a loss of revenue to municipalities. The Maine Municipal Association has estimated the total statewide loss to all municipalities to be approximately \$5,000,000 in the first year.