

MAINE STATE LEGISLATURE

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131st MAINE LEGISLATURE

FIRST REGULAR SESSION-2023

Legislative Document

No. 1168

H.P. 740

House of Representatives, March 14, 2023

An Act to Adjust Motor Vehicle Excise Tax Rates

Reference to the Committee on Taxation suggested and ordered printed.

Robert B. Hunt
ROBERT B. HUNT
Clerk

Presented by Representative PERRY of Bangor.
Cosponsored by Representative GRAMLICH of Old Orchard Beach.

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 2013, c. 263, §1, is further
3 amended to read:

4 C. For the privilege of operating a motor vehicle or camper trailer on the public ways,
5 each motor vehicle, other than a stock race car, or each camper trailer to be so operated
6 is subject to excise tax as follows, except as specified in subparagraph (3), (4) or (5):
7 a sum equal to ~~24~~ 35 mills on each dollar of the maker's list price ~~reduced by \$15,000~~
8 for the first or current year of model, ~~17-1/2~~ 33 mills for the 2nd year, ~~13-1/2~~ 31 mills
9 for the 3rd year, ~~10~~ 28 mills for the 4th year, ~~6-1/2~~ 25 mills for the 5th year ~~and 4~~, 22
10 mills for the 6th year, 19 mills for the 7th year, 16 mills for the 8th year, 13 mills for
11 the 9th year and 10 mills for the 10th and succeeding years. The minimum tax is \$5
12 for a motor vehicle other than a bicycle with motor attached, \$2.50 for a bicycle with
13 motor attached, \$15 for a camper trailer other than a tent trailer and \$5 for a tent trailer.
14 The excise tax on a stock race car is \$5.

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

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

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

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

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

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

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SUMMARY

This bill changes the excise tax on motor vehicles and camper trailers from a 6-year phase-down of the tax from 24 mills to 4 mills to a 10-year phase-down of the tax from 35 mills to 10 mills and exempts from taxation the first \$15,000 of the vehicle's value that is used to calculate the tax.