

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from electronic originals
(may include minor formatting differences from printed original)



131st MAINE LEGISLATURE

FIRST REGULAR SESSION-2023

Legislative Document

No. 1381

S.P. 546

In Senate, March 28, 2023

**An Act to Create Fairness in Maine's Motor Vehicle Excise Tax by
Basing the Tax on the Sale Price**

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT
Secretary of the Senate

Presented by Senator GUERIN of Penobscot.
Cosponsored by Representative SMITH of Palermo and
Senators: BRAKEY of Androscoggin, KEIM of Oxford, LIBBY of Cumberland, LYFORD of
Penobscot, MOORE of Washington, STEWART of Aroostook, TIMBERLAKE of
Androscoggin.

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

2 **Sec. 1. 29-A MRSA §533-A, sub-§3, ¶A**, as amended by PL 2011, c. 646, §1, is
3 further amended to read:

4 A. Between July 1st and October 31st, the Secretary of State shall disburse to a
5 participating municipality a sum equal to the difference in the amount of excise tax that
6 would have been collected by that municipality in the prior fiscal year on each
7 commercial motor vehicle or bus under Title 36, section 1482, subsection 1, paragraph
8 C, ~~subparagraph (3) or (4)~~ using the manufacturer's suggested retail price from the
9 amount of that excise tax actually collected by that municipality in the prior fiscal year
10 based on the actual purchase price. The Secretary of State shall provide supporting
11 documentation to a municipality regarding the disbursement that municipality receives
12 under this section.

13 **Sec. 2. 36 MRSA §1482, sub-§1, ¶C**, as amended by PL 2013, c. 263, §1, is further
14 amended to read:

15 C. For the privilege of operating a motor vehicle, including a commercial motor
16 vehicle as defined in Title 29-A, section 101, subsection 17, paragraphs A and B and
17 special mobile equipment as defined in Title 29-A, section 101, subsection 70, or
18 camper trailer on the public ways, each motor vehicle, other than a stock race car, or
19 each camper trailer to be so operated is subject to excise tax as follows, ~~except as~~
20 ~~specified in subparagraph (3), (4) or (5):~~ a sum equal to 24 mills on each dollar of the
21 ~~maker's list~~ purchase price for the first or current year of model, 17 1/2 mills for the
22 2nd year, 13 1/2 mills for the 3rd year, 10 mills for the 4th year, 6 1/2 mills for the 5th
23 year and 4 mills for the 6th and succeeding years. The minimum tax is \$5 for a motor
24 vehicle other than a bicycle with motor attached, \$2.50 for a bicycle with motor
25 attached, \$15 for a camper trailer other than a tent trailer and \$5 for a tent trailer. The
26 excise tax on a stock race car is \$5.

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

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

33 ~~(3) For commercial vehicles manufactured in model year 1996 and after, the~~
34 ~~amount of excise tax due for trucks or truck tractors registered for more than 26,000~~
35 ~~pounds and for Class A special mobile equipment, as defined in Title 29-A, section~~
36 ~~101, subsection 70, is based on the purchase price in the original year of title rather~~
37 ~~than on the list price. Verification of purchase price for the application of excise~~
38 ~~tax is determined by the initial bill of sale or the state sales tax document provided~~
39 ~~at point of purchase. The initial bill of sale is that issued by the dealer to the initial~~
40 ~~purchaser of a new vehicle.~~

41 ~~(4) For buses manufactured in model year 2006 and after, the amount of excise~~
42 ~~tax due is based on the purchase price in the original year of title rather than on the~~
43 ~~list price. Verification of purchase price for the application of excise tax is~~
44 ~~determined by the initial bill of sale or the state sales tax document provided at~~

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

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

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

11 **Sec. 3. 36 MRSA §1482, sub-§4**, as amended by PL 2013, c. 263, §2, is further
12 amended to read:

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

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

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

26 SUMMARY

27 This bill changes the method of computing the excise tax that is levied on motor
28 vehicles, special mobile equipment and camper trailers registered in the State.

29 With the exception of certain commercial motor vehicles, buses and special mobile
30 equipment, current law requires that the excise tax be based upon the maker's list price for
31 the motor vehicle; the excise tax on certain commercial motor vehicles, buses and special
32 mobile equipment is based on the purchase price. This bill requires that the excise tax for
33 all motor vehicles, special mobile equipment and camper trailers be based upon the
34 purchase price of the vehicle, equipment or trailer. Either the original bill of sale or the
35 state sales tax document may be used to verify the purchase price.

36 Current law also requires the State to reimburse a municipality for the difference in the
37 amount of excise tax that would have been collected by the municipality on each
38 commercial motor vehicle or bus using the manufacturer's suggested retail price instead of
39 the actual purchase price. This bill applies that requirement to all vehicles registered and
40 taxed by the municipality using the actual purchase price.