

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

## **An Act To Enhance Energy Security by Requiring Greater Fuel Efficiency**

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

**Sec. 1. 29-A MRSA §501, sub-§3**, as enacted by PL 1993, c. 683, Pt. A, §2 and as affected by Pt. B, §5, is amended to read:

**3. Passenger vehicles for hire.** The fee for a passenger vehicle used for hire is double the fee provided in subsection 1. The Secretary of State may issue a 2nd registration for the same vehicle at no additional fee. Beginning in fiscal year 2007-08, a passenger vehicle used for hire, not including a taxicab or limousine, that is offered for a rental period of less than one year, of which over 50% of its mileage is driven in the State and that has a fuel efficiency that is at least 50% higher than the federal corporate average fuel efficiency standards or successor federal fuel economy standard as required by 49 United States Code, Chapter 329, is exempt from a fee under this subsection and subsection 3-A.

**Sec. 2. 29-A MRSA §501, sub-§3-A** is enacted to read:

**3-A. Additional fee.** Beginning in fiscal year 2007-08, an additional fee must be paid under this subsection for a passenger vehicle used for hire, not including a taxicab or limousine, that is offered for a rental period of less than one year, of which over 50% of its mileage is driven in the State and that does not qualify for an exemption under subsection 3. At the end of a fiscal year, the Secretary of State shall calculate the loss of revenue from the total number of exemptions under subsection 3 for that fiscal year and assess a fee in an amount equal to the amount of revenue lost for the previous fiscal year and the cost of administering this subsection apportioned pro rata among the passenger vehicles subject to the fee under this subsection.

**Sec. 3. 36 MRSA §1482, sub-§8** is enacted to read:

**8. Passenger vehicles used for hire.** Beginning in fiscal year 2007-08, an additional tax must be paid under this subsection for a passenger vehicle used for hire, not including a taxicab or limousine, that is offered for a rental period of less than one year, of which over 50% if its mileage is driven in the State and that does not qualify for an exemption under section 1483, subsection 16. The tax collected under this subsection must be collected by the assessor. At the end of a fiscal year, the assessor shall calculate the loss of revenue from the total number of exemptions under section 1483, subsection 16 for that fiscal year and assess a tax in an amount equal to the amount of revenue lost for the previous fiscal year and the cost of administering this subsection apportioned pro rata among the passenger vehicles subject to the tax under this subsection. The assessor shall distribute the proceeds from the tax under this subsection to a municipality in an amount equal to the amount of tax the municipality lost due to an exemption under section 1483, subsection 16.

**Sec. 4. 36 MRSA §1483, sub-§16** is enacted to read:

**16. Fuel-efficient passenger vehicles for hire.** Beginning in fiscal year 2007-08, a passenger vehicle used for hire, not including a taxicab or limousine, that is offered for a rental period of less than one year, of which over 50% of its mileage is driven in the State and that has a fuel efficiency that is at least 50% higher than the federal corporate average fuel efficiency standards or successor federal fuel economy standard as required by 49 United States Code, Chapter 329, is exempt from a tax under this subsection and subsection 8.

**Sec. 5. Initial tax year for additional registration fee.** For fiscal year 2007-08, the Secretary of State shall estimate the amount of revenue lost due to exemptions under the Maine Revised Statutes, Title 29-A, section 501, subsection 3 to calculate and assess the additional fee required under Title 29-A, section 501, subsection 3-A.

**Sec. 6. Initial tax year for additional excise tax.** For fiscal year 2007-08, the State Tax Assessor within the Department of Administrative and Financial Services, Bureau of Revenue Services shall estimate the amount of revenue lost due to exemptions under Title 36, section 1483, subsection 16 to calculate and assess the additional tax required under Title 36, section 1482, subsection 8.

## SUMMARY

This bill exempts rental cars of which of 50% of their mileage is driven in Maine that have a fuel efficiency of at least 50% higher than the federal average fuel economy standards set by the Federal Government from the registration fee and excise tax for motor vehicles and charges an additional registration fee and excise tax for rental cars that are not exempt in an amount that equals the amount of exemptions given.