125th MAINE LEGISLATURE

LD 79   **LR 477(01)**

An Act To Base the Excise Tax on Vehicles on a Percentage of the Manufacturer's Suggested Retail Price

Preliminary Fiscal Impact Statement for Original Bill
Sponsor: Rep. Knight of Livermore Falls
Committee: Taxation
Fiscal Note Required: Yes

Preliminary Fiscal Impact Statement

	FY 2011-12	FY 2012-13	Projections FY 2013-14	Projections FY 2014-15
Net Cost (Savings)				
General Fund	$23,786	$31,714	$31,714	$31,714
Highway Fund	($94,804)	($126,405)	($126,405)	($126,405)
Appropriations/Allocations				
Other Special Revenue Funds	($94,804)	($126,405)	($126,405)	($126,405)
Revenue				
General Fund	($23,786)	($31,714)	($31,714)	($31,714)
Highway Fund	$94,804	$126,405	$126,405	$126,405
Other Special Revenue Funds	$0	($89,882)	($123,438)	($123,438)

Fiscal Detail and Notes

This bill proposes to reduce excise tax payments paid on motor vehicles to 90% of the manufacturer's suggested retail price. This will decrease General Fund revenue by $23,786 in fiscal year 2011-12 and $31,714 in fiscal year 2012-13 and thereafter from excise tax paid by out of state residents. It will also allow an Other Special Revenue Funds deallocation to the Secretary of State of $94,804 in fiscal year 2011-12 and $126,405 in fiscal year 2012-13 and thereafter since reimbursement to municipalities through the Municipal Excise Tax Reimbursement Fund will be decreased. Under current statute, the amount remaining in this Fund at the end of the year is transferred to the Highway Fund. Since payments deposited into the Municipal Excise Tax Reimbursement Fund through the International Registration Plan will not change under this legislation, but the reimbursement to municipalities will decrease, the amount transferred to the Highway Fund will increase Highway Fund revenues by $94,804 in fiscal year 2011-12 and $126,405 in fiscal year 2012-13 and thereafter. The bill will also reduce motor vehicle excise tax revenues by 10% for unorganized territories and municipalities.