



129th MAINE LEGISLATURE

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Legislative Document

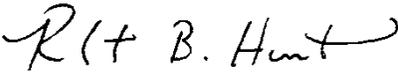
No. 119

H.P. 101

House of Representatives, January 17, 2019

An Act To Base the Motor Vehicle Excise Tax on the Sale Price

Reference to the Committee on Taxation suggested and ordered printed.


ROBERT B. HUNT
Clerk

Presented by Representative CEBRA of Naples.

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
6 that 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,
8 paragraph C, ~~subparagraph (3) or (4)~~ using the manufacturer's suggested retail price
9 from the amount of that excise tax actually collected by that municipality in the prior
10 fiscal year based on the actual purchase price. The Secretary of State shall provide
11 supporting documentation to a municipality regarding the disbursement that
12 municipality receives under this section.

13 **Sec. 2. 36 MRSA §1482, sub-§1, ¶C**, as amended by PL 2013, c. 263, §1, is
14 further 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
23 5th year and 4 mills for the 6th and succeeding years. The minimum tax is \$5 for a
24 motor vehicle other than a bicycle with motor attached, \$2.50 for a bicycle with
25 motor attached, \$15 for a camper trailer other than a tent trailer and \$5 for a tent
26 trailer. The 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~~
35 ~~26,000 pounds and for Class A special mobile equipment, as defined in Title~~
36 ~~29-A, section 101, subsection 70, is based on the purchase price in the original~~
37 ~~year of title rather than on the list price.~~ Verification of purchase price for the
38 application of excise tax is determined by the initial bill of sale or the state sales
39 tax document provided at point of purchase. The initial bill of sale is that issued
40 by the dealer to the initial 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~~

1 the list price. Verification of purchase price for the application of excise tax is
2 determined by the initial bill of sale or the state sales tax document provided at
3 point of purchase. The initial bill of sale is that issued by the dealer to the initial
4 purchaser of a new vehicle.

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

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

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

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

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

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

28 SUMMARY

29 This bill changes the method of computing the excise tax that is levied on motor
30 vehicles and camper trailers registered in the State.

31 With the exception of certain commercial motor vehicles and buses and special
32 mobile equipment, current law requires that the excise tax be based upon the maker's list
33 price for the motor vehicle; the excise tax on certain commercial motor vehicles and
34 buses and special mobile equipment is based on the purchase price.

35 This bill requires that the excise tax for all motor vehicles and camper trailers be
36 based upon the purchase price of the vehicle. Either the original bill of sale or the state
37 sales tax document may be used to verify the purchase price.

38 Current law requires the State to reimburse a municipality for the difference in the
39 amount of excise tax that would have been collected by the municipality on each

1 commercial motor vehicle or bus using the manufacturer's suggested retail price instead
2 of the actual purchase price.

3 This bill applies that requirement to all vehicles registered and taxed by the
4 municipality using the actual purchase price.