



125th MAINE LEGISLATURE

SECOND REGULAR SESSION-2012

Legislative Document

No. 1699

H.P. 1251

House of Representatives, December 23, 2011

An Act To Create Excise Tax Equity and Consistency for Buses

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 203.

Received by the Clerk of the House on December 21, 2011. Referred to the Committee on Taxation pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.

A handwritten signature in cursive script, reading "Heather J.R. Priest".

HEATHER J.R. PRIEST
Clerk

Presented by Representative KNAPP of Gorham.

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 2001, c. 361, §15,
3 is 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 §1481, sub-§8** is enacted to read:

14 **8. Bus.** "Bus" has the same meaning as in Title 29-A, section 101, subsection 11.

15 **Sec. 3. 36 MRSA §1482, sub-§1, ¶C,** as amended by PL 2001, c. 671, §32, is
16 further amended to read:

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

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

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

SUMMARY

This bill provides that the motor vehicle excise tax on a bus manufactured in 2006 or after must be based on the purchase price of the bus rather than the maker's list price in the same manner as commercial trucks, truck tractors and special mobile equipment. The bill also provides for reimbursement to municipalities from the Municipal Excise Tax Reimbursement Fund.