

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 Amend the Laws Governing the Calculation of Excise Tax on Automobiles

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

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

C. For the privilege of operating a motor vehicle or camper trailer on the public ways, each motor vehicle, other than a stock race car, or each camper trailer to be so operated is subject to excise tax as follows, except as specified in subparagraph (3), (4) or (5): a sum equal to 24 mills on each dollar of the ~~maker's list purchase~~ price for the first or current year of model, 17 1/2 mills on each dollar of the maker's list price for the 2nd year, 13 1/2 mills on each dollar of the maker's list price for the 3rd year, 10 mills on each dollar of the maker's list price for the 4th year, 6 1/2 mills on each dollar of the maker's list price for the 5th year and 4 mills on each dollar of the maker's list price for the 6th and succeeding years. The minimum tax is \$5 for a motor vehicle other than a bicycle with motor attached, \$2.50 for a bicycle with motor attached, \$15 for a camper trailer other than a tent trailer and \$5 for a tent trailer. The excise tax on a stock race car is \$5. Notwithstanding section 1481, subsection 7, for the purposes of this paragraph, "purchase price" means the amount of money financed or paid by the consumer after application of any trade-ins, rebates or discounts or offers or promises that the consumer receive back all or a portion of the price paid. 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.

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

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

(3) For commercial vehicles manufactured in model year 1996 and after, the amount of excise tax due for trucks or truck tractors registered for more than 26,000 pounds and for Class A special mobile equipment, as defined in Title 29-A, section 101, subsection 70, 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.

(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.

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

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

With the exception of certain commercial motor vehicles and buses and special mobile equipment, current law requires that the excise tax be based upon the maker's list price for the motor vehicle. This bill requires that the excise tax on motor vehicles and camper trailers be based on the purchase price of the vehicle for the first year and on the maker's list price for all succeeding years. Either the original bill of sale or the state sales tax document may be used to verify the purchase price.