



128th MAINE LEGISLATURE

FIRST REGULAR SESSION-2017

Legislative Document

No. 26

H.P. 27

House of Representatives, January 10, 2017

An Act To Lower the Maine Motor Vehicle Excise Tax

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "R B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative CEBRA of Naples.
Cosponsored by Senator COLLINS of York and
Representatives: HARRINGTON of Sanford, HARVELL of Farmington, ORDWAY of
Standish, SKOLFIELD of Weld, STEWART of Presque Isle.

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

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

4 C. For the privilege of operating a motor vehicle or camper trailer on the public
5 ways, each motor vehicle, other than a stock race car, or each camper trailer to be so
6 operated is subject to excise tax as follows, except as specified in subparagraph (3),
7 (4) or (5): a sum equal to 24 mills on each dollar of the maker's list price for the first
8 or current year of model, 17 1/2 mills for the 2nd year, 13 1/2 mills for the 3rd year,
9 10 mills for the 4th year, 6 1/2 mills for the 5th year and 4 mills for the 6th and
10 succeeding years. For registration years beginning on or after January 1, 2018, the
11 mill rates specified in this paragraph are reduced as provided in paragraph E. The
12 minimum tax is \$5 for a motor vehicle other than a bicycle with motor attached,
13 \$2.50 for a bicycle with motor attached, \$15 for a camper trailer other than a tent
14 trailer and \$5 for a tent trailer. The excise tax on a stock race car is \$5.

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

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

21 (3) For commercial vehicles manufactured in model year 1996 and after, the
22 amount of excise tax due for trucks or truck tractors registered for more than
23 26,000 pounds and for Class A special mobile equipment, as defined in Title
24 29-A, section 101, subsection 70, is based on the purchase price in the original
25 year of title rather than on the list price. Verification of purchase price for the
26 application of excise tax is determined by the initial bill of sale or the state sales
27 tax document provided at point of purchase. The initial bill of sale is that issued
28 by the dealer to the initial purchaser of a new vehicle.

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

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

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

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Sec. 2. 36 MRSA §1482, sub-§1, ¶E is enacted to read:

E. For registration years beginning on or after January 1, 2018, the mill rates specified in paragraph C are reduced as follows:

(1) For registration years beginning in 2018, the mill rates specified in paragraph C are reduced by 10%;

(2) For registration years beginning in 2019, the mill rates specified in paragraph C are reduced by 20%;

(3) For registration years beginning in 2020, the mill rates specified in paragraph C are reduced by 30%;

(4) For registration years beginning in 2021, the mill rates specified in paragraph C are reduced by 40%; and

(5) For registration years beginning on or after January 1, 2022, the mill rates specified in paragraph C are reduced by 50%.

SUMMARY

This bill reduces motor vehicle excise tax mill rates by 10% each year beginning with 2018 registration years until the rates reach 50% of the current rates in 2022 and subsequent years.