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No. 724

H.P. 535

House of Representatives, March 5, 2021

An Act To Base the Vehicle and Mobile Home Excise Tax on Actual Value

Received by the Clerk of the House on March 3, 2021. 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 that reads "Robert B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative ORDWAY of Standish.

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 that
6 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, paragraph
8 C, ~~subparagraph (3) or (4)~~ using the manufacturer's suggested retail price from the
9 amount of that excise tax actually collected by that municipality in the prior fiscal year
10 based on the actual ~~purchase price~~ value. 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. 29-A MRSA §654, sub-§1, ¶B-1**, as amended by PL 2001, c. 671, §13, is
14 repealed.

15 **Sec. 3. 29-A MRSA §658, sub-§1, ¶E-1**, as enacted by PL 2001, c. 18, §3, is
16 repealed.

17 **Sec. 4. 36 MRSA §1481, sub-§7**, as enacted by PL 1995, c. 440, §3 and affected
18 by §5, is repealed.

19 **Sec. 5. 36 MRSA §1482, sub-§1, ¶B**, as amended by PL 2011, c. 240, §10, is
20 further amended to read:

21 B. For the privilege of operating a mobile home upon the public ways, each mobile
22 home to be so operated is subject to such excise tax as follows: A sum equal to 25 mills
23 on each dollar of the ~~maker's list price~~ actual value for the first or current year of model,
24 20 mills for the 2nd year, 16 mills for the 3rd year and 12 mills for the 4th year and
25 succeeding years. The minimum tax is \$15.

26 **Sec. 6. 36 MRSA §1482, sub-§1, ¶C**, as amended by PL 2013, c. 263, §1, is further
27 amended to read:

28 C. For the privilege of operating a motor vehicle, including a commercial motor
29 vehicle as defined in Title 29-A, section 101, subsection 17, paragraphs A and B and
30 special mobile equipment as defined in Title 29-A, section 101, subsection 70, or
31 camper trailer on the public ways, each motor vehicle, other than a stock race car, or
32 each camper trailer to be so operated is subject to excise tax as follows, ~~except as~~
33 ~~specified in subparagraph (3), (4) or (5)~~: a sum equal to 24 mills on each dollar of the
34 ~~maker's list price~~ actual value for the first or current year of model, 17 1/2 mills for the
35 2nd year, 13 1/2 mills for the 3rd year, 10 mills for the 4th year, 6 1/2 mills for the 5th
36 year and 4 mills for the 6th and succeeding years. The minimum tax is \$5 for a motor
37 vehicle other than a bicycle with motor attached, \$2.50 for a bicycle with motor
38 attached, \$15 for a camper trailer other than a tent trailer and \$5 for a tent trailer. The
39 excise tax on a stock race car is \$5.

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

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

4 (3) ~~For commercial vehicles manufactured in model year 1996 and after, the~~
5 ~~amount of excise tax due for trucks or truck tractors registered for more than 26,000~~
6 ~~pounds and for Class A special mobile equipment, as defined in Title 29-A, section~~
7 ~~101, subsection 70, is based on the purchase price in the original year of title rather~~
8 ~~than on the list price. Verification of purchase price actual value for the application~~
9 ~~of excise tax is determined by the initial bill of sale or the state sales tax document~~
10 ~~provided at point of purchase. The initial bill of sale is that issued by the dealer to~~
11 ~~the initial purchaser of a new vehicle.~~

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

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

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

26 **Sec. 7. 36 MRSA §1482, sub-§4**, as amended by PL 2013, c. 263, §2, is repealed.

27 **Sec. 8. 36 MRSA §1482, sub-§4-A** is enacted to read:

28 **4-A. Actual value.** The actual value of a vehicle or mobile home must be obtained
29 from sources approved by the State Tax Assessor. Actual value must be determined as of
30 the time of delivery of the vehicle or mobile home to the owner.

31 SUMMARY

32 This bill changes the method of computing the excise tax that is levied on motor
33 vehicles, including commercial motor vehicles, buses and camper trailers, and mobile
34 homes registered in the State.

35 With the exception of certain commercial motor vehicles and buses and special mobile
36 equipment, current law requires that the excise tax be based upon the maker's list price for
37 the motor vehicle or mobile home; the excise tax on certain commercial motor vehicles and
38 buses and special mobile equipment is based on the purchase price. This bill requires that
39 the excise tax for all motor vehicles, mobile homes and camper trailers be based upon the
40 actual value of the vehicle or mobile home at the time of delivery to the owner, as
41 determined by sources approved by the State Tax Assessor.

1 Current law requires the State to reimburse a municipality for the difference in the
2 amount of excise tax that would have been collected by the municipality on each
3 commercial motor vehicle or bus using the manufacturer's suggested retail price instead of
4 the actual purchase price. This bill applies that requirement to all vehicles registered and
5 taxed by the municipality using the actual value.