



129th MAINE LEGISLATURE

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Legislative Document

No. 1031

H.P. 761

House of Representatives, February 28, 2019

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

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 ORDWAY of Standish.
Cosponsored by Senator DAVIS of Piscataquis and
Representatives: CURTIS of Madison, FAY of Raymond, LANDRY of Farmington,
NADEAU of Winslow, O'CONNOR of Berwick, PICKETT of Dixfield, THERIAULT of
China, WHITE of Washburn.

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~~ value. The Secretary of State shall
11 provide 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14 repealed.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16 repealed.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18 by §5, is repealed.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
23 mills on each dollar of the ~~maker's list price~~ actual value for the first or current year
24 of model, 20 mills for the 2nd year, 16 mills for the 3rd year and 12 mills for the 4th
25 year and 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
27 further 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
35 the 2nd year, 13 1/2 mills for the 3rd year, 10 mills for the 4th year, 6 1/2 mills for
36 the 5th year and 4 mills for the 6th and succeeding years. The minimum tax is \$5 for
37 a motor vehicle other than a bicycle with motor attached, \$2.50 for a bicycle with
38 motor attached, \$15 for a camper trailer other than a tent trailer and \$5 for a tent
39 trailer. The excise tax on a stock race car is \$5.

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

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

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

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

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

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

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

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

31 **4-A. Actual value.** The actual value of a vehicle or mobile home must be obtained
32 from sources approved by the State Tax Assessor. Actual value must be determined as of
33 the time of delivery of the vehicle or mobile home to the owner.

34 SUMMARY

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

38 With the exception of certain commercial motor vehicles and buses and special
39 mobile equipment, current law requires that the excise tax be based upon the maker's list
40 price for the motor vehicle or mobile home; the excise tax on certain commercial motor

1 vehicles and buses and special mobile equipment is based on the purchase price. This bill
2 requires that the excise tax for all motor vehicles, mobile homes and camper trailers be
3 based upon the actual value of the vehicle or mobile home at the time of delivery to the
4 owner, as determined by sources approved by the State Tax Assessor.

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