



# 127th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2015

---

Legislative Document

No. 444

S.P. 173

In Senate, February 24, 2015

**An Act To Allow a Motor Vehicle Excise Tax Credit for a Vehicle  
No Longer in Use**

---

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "Heather J.R. Priest".

HEATHER J.R. PRIEST  
Secretary of the Senate

Presented by President THIBODEAU of Waldo.  
Cosponsored by Representative GILLWAY of Searsport and  
Senators: COLLINS of York, CUSHING of Penobscot, HAMPER of Oxford, HASKELL of  
Cumberland, McCORMICK of Kennebec, WHITTEMORE of Somerset, Representatives:  
GOODE of Bangor, TIMBERLAKE of Turner.

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

2 **Sec. 1. 36 MRSA §1482, sub-§5**, as amended by PL 2011, c. 240, §13, is further  
3 amended to read:

4 **5. Credits.** An owner or lessee who has paid the excise or property tax for a vehicle  
5 ~~the ownership or registration of which is transferred, or that is subsequently totally lost by~~  
6 ~~fire, theft or accident or totally junked or abandoned, in the same registration year,~~ is  
7 entitled to a credit up to the maximum amount of the tax previously paid in that  
8 registration year for any one vehicle toward the tax for any number of vehicles, regardless  
9 of the number of transfers that may be required of the owner or lessee in that registration  
10 year. The credit is available only if the vehicle's ownership is transferred, the vehicle is  
11 totally lost by fire, theft or accident, the vehicle is totally junked or abandoned, the use of  
12 the vehicle is totally discontinued or, in the case of a leased vehicle, the registration is  
13 transferred.

14 A. The credit must be given in any place in which the excise tax is payable.

15 B. For each transfer made in the same registration year, the owner shall pay \$3 to the  
16 place in which the excise tax is payable.

17 C. During the last 4 months of the registration year, the credit may not exceed 1/2 of  
18 the maximum amount of the tax previously paid in that registration year for any one  
19 vehicle.

20 D. If the credit available under this subsection exceeds the amount transferred to  
21 another vehicle, a municipality may choose, but is not required to refund the excess  
22 amount. If a municipality chooses to refund excess amounts it must do so in all  
23 instances where there is an excess amount.

24 E. For the purposes of this subsection, "owner" includes the surviving spouse of the  
25 owner.

26 G. For the purposes of this subsection, "totally discontinued" means that the owner  
27 has permanently discontinued all use of the vehicle except for selling, transferring  
28 ownership of, junking or abandoning that vehicle. The owner of the vehicle must  
29 provide a signed statement attesting that use of the vehicle from which the credit is  
30 being transferred is totally discontinued. If the owner who has totally discontinued  
31 use of a vehicle later seeks to register that vehicle, no excise tax credits may be  
32 applied with respect to the registration of that vehicle or any subsequent transfer of  
33 that vehicle's registration.

34 **SUMMARY**

35 Current law provides for a motor vehicle excise tax credit for the owner of a vehicle  
36 that is totally lost by fire, theft or accident or is totally junked or abandoned. This bill  
37 clarifies that the motor vehicle excise tax credit is available only if the vehicle's  
38 ownership is transferred, the vehicle is totally lost by fire, theft or accident, the vehicle is  
39 totally junked or abandoned or the use of the vehicle is totally discontinued. In the case  
40 of a leased vehicle, the credit is available only if the registration is transferred. This bill

1 requires the owner of the vehicle to provide a signed statement attesting that the vehicle  
2 from which the credit is being transferred is totally discontinued and states that if the  
3 owner who has totally discontinued use of a vehicle later seeks to register that vehicle, no  
4 excise tax credits may be applied with respect to the registration of that vehicle or any  
5 subsequent transfer of that vehicle's registration.