



128th MAINE LEGISLATURE

SECOND REGULAR SESSION-2018

Legislative Document

No. 1687

S.P. 623

In Senate, December 22, 2017

An Act To Amend the Laws Governing the Calculation of Excise Tax on Automobiles

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 203.

Received by the Secretary of the Senate on December 19, 2017. Referred to the Committee on Taxation pursuant to Joint Rule 308.2 and ordered printed.

A handwritten signature in cursive script, reading "Heather J.R. Priest".

HEATHER J.R. PRIEST
Secretary of the Senate

Presented by Senator DILL of Penobscot. (BY REQUEST)
Cosponsored by Representative STANLEY of Medway and
Senators: DAVIS of Piscataquis, DIAMOND of Cumberland, JACKSON of Aroostook,
MASON of Androscoggin, MIRAMANT of Knox, Representatives: NADEAU of Winslow,
TUELL of East Machias.

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~~ purchase price
8 for the first or current year of model, 17 1/2 mills on each dollar of the maker's list
9 price for the 2nd year, 13 1/2 mills on each dollar of the maker's list price for the 3rd
10 year, 10 mills on each dollar of the maker's list price for the 4th year, 6 1/2 mills on
11 each dollar of the maker's list price for the 5th year and 4 mills on each dollar of the
12 maker's list price for the 6th and succeeding years. The minimum tax is \$5 for a
13 motor vehicle other than a bicycle with motor attached, \$2.50 for a bicycle with
14 motor attached, \$15 for a camper trailer other than a tent trailer and \$5 for a tent
15 trailer. The excise tax on a stock race car is \$5. Notwithstanding section 1481,
16 subsection 7, for the purposes of this paragraph, "purchase price" means the amount
17 of money financed or paid by the consumer after application of any trade-ins, rebates
18 or discounts or offers or promises that the consumer receive back all or a portion of
19 the price paid. Verification of purchase price for the application of excise tax is
20 determined by the initial bill of sale or the state sales tax document provided at point
21 of purchase. The initial bill of sale is that issued by the dealer to the initial purchaser
22 of a new vehicle.

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

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

29 (3) For commercial vehicles manufactured in model year 1996 and after, the
30 amount of excise tax due for trucks or truck tractors registered for more than
31 26,000 pounds and for Class A special mobile equipment, as defined in Title
32 29-A, section 101, subsection 70, is based on the purchase price in the original
33 year of title rather than on the list price. Verification of purchase price for the
34 application of excise tax is determined by the initial bill of sale or the state sales
35 tax document provided at point of purchase. The initial bill of sale is that issued
36 by the dealer to the initial purchaser of a new vehicle.

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

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

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

9 **SUMMARY**

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

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