



127th MAINE LEGISLATURE

FIRST REGULAR SESSION-2015

Legislative Document

No. 614

H.P. 427

House of Representatives, March 3, 2015

An Act Regarding the Excise Tax Levied on Used Motor Vehicles

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 MAKER of Calais.
Cosponsored by Senator LANGLEY of Hancock and
Representatives: HANINGTON of Lincoln, HOBART of Bowdoinham, KINNEY of
Limington, KINNEY of Knox, PARRY of Arundel, TUELL of East Machias, WADSWORTH
of Hiram, Senator: COLLINS of York.

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) or (6): a sum equal to 24 mills on each dollar of the maker's list price for
8 the first or current year of model, 17 1/2 mills for the 2nd year, 13 1/2 mills for the
9 3rd year, 10 mills for the 4th year, 6 1/2 mills for the 5th year and 4 mills for the 6th
10 and succeeding years. The minimum tax is \$5 for a motor vehicle other than a
11 bicycle with motor attached, \$2.50 for a bicycle with motor attached, \$15 for a
12 camper trailer other than a tent trailer and \$5 for a tent trailer. The excise tax on a
13 stock race car is \$5.

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

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

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

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

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

39 (6) A motor vehicle in its first or current year of model that has been previously
40 registered by a different owner or that is not covered by a manufacturer's new car
41 warranty is considered a used vehicle, and the excise tax must be determined as if
42 the motor vehicle was in its 2nd year of model.

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

4 **SUMMARY**

5 Current law requires the excise tax on a motor vehicle to be based on the maker's list
6 price and model year. If a vehicle is registered by a different owner during the first
7 model year, the excise tax is still based on the first model year.

8 This bill specifies that a motor vehicle being registered for a 2nd time during the first
9 model year of that motor vehicle or a motor vehicle that is still in its first model year but
10 is not covered by a manufacturer's new car warranty is considered a used vehicle and
11 requires the excise tax to be based on the 2nd model year.