

**TESTIMONY OF
MICHAEL J. ALLEN, ASSOCIATE COMMISSIONER FOR TAX POLICY
DEPARTMENT OF ADMINISTRATIVE AND FINANCIAL SERVICES**

Before the Joint Standing Committee on Taxation
Hearing Date: *February 4, 2025*

LD 15 – “*An Act to Eliminate the Excise Tax on Camper Trailers*”

Senator Grohoski, Representative Cloutier, and members of the Taxation Committee – good afternoon, my name is Michael Allen, Associate Commissioner for Tax Policy in the Department of Administrative and Financial Services. I am testifying at the request of the Administration Against LD 15, “*An Act to Eliminate the Excise Tax on Camper Trailers.*”

The Administration opposes this bill because it is unclear what tax policy issue this bill is attempting to address. Repealing the excise tax simply shifts taxation of camper trailers, which would now be subject to local property tax.

From a technical perspective, because the bill shifts the taxation of camper trailers from excise tax (which is based on a registration year) to property tax (which is based on a property tax year), consideration should be given as to timing and how to transition current taxpayers.

Further, it should be noted that this proposal may trigger a State mandates reimbursement requirement under the Maine Constitution, Article IX, Section 21, for 90% of municipal administrative costs, as municipal assessors will now need to identify, value, and assess camper trailers in their municipality under the property tax.

Finally, it is unclear what impact, if any, this would have on vehicle registration requirements, which often have provisions requiring payment of excise tax before registration.

The Administration looks forward to working with the Committee on the bill; representatives from MRS will be here for the Work Session to provide additional information and respond in detail to the Committee's questions.