

**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: *April 23, 2025, Wednesday at 1:00 P.M.*

LD 1515 – *“An Act to Exempt Wheelchair Adapted Vehicles from the Sales and Use Tax”*

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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 Neither For Nor Against LD 1515, *“An Act to Exempt Wheelchair Adapted Vehicles from the Sales and Use Tax.”*

This bill would exempt from sales and use tax the sale of an automobile if it is either adapted for use by an occupant in a wheelchair, or if the purchaser attests it will be so adapted within 6 months of purchase. If the Committee supports this bill, we strongly recommend amending the proposed exemption as a refund provision in the cases of a customer attesting that the vehicle will be modified post-purchase.

The Sales and Use Tax Law currently exempts “sales to a person with a disability . . . of adaptive equipment for installation in or on a motor vehicle to make that vehicle operable or accessible by a person with a disability who is issued a disability plate or placard . . . .” 36 M.R.S. § 1760(95). This applies *only to the adaptive equipment, not the vehicle* in which it is installed. Likewise, the Governor’s Biennial Budget, Part G, proposes a related sales tax exemption for “mobility enhancing equipment” for home use or use in a motor vehicle; but would define “mobility enhancing equipment” to exclude *“any motor vehicle or*

equipment on a motor vehicle normally provided by a motor vehicle manufacturer.”

LD 1515 would allow customers to purchase any “automobile” exempt of sales tax if they “attest [wheelchair] modifications are necessary and will be completed within 6 months of the vehicle’s purchase.” This suggests each purchaser claiming the exemption on an unmodified automobile would be required to present an affidavit to the retailer to purchase the automobile without paying tax. Rather than an up-front exemption from sales tax for automobiles intended to be modified to accommodate wheelchairs, this part of the proposal would be better administered as a refund, where the refund is requested from MRS upon completion of the automobile’s modifications.

“Automobile” as defined in the Sales and Use Tax Law means “a self-propelled 4-wheel motor vehicle designed primarily to carry passengers and not designed to run on tracks,” and includes a pickup truck or van with a gross vehicle weight rating of 10,000 pounds or less. As drafted, the exemption would not extend to a motor vehicle that is not an “automobile.” The committee may also consider including language similar to that in § 1760(95), requiring that the purchaser has been “issued a disability plate or placard by the Secretary of State pursuant to Title 29-A, section 521.”

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.