

L.D. 1381

Senator Grohaski and Representative Perry and members of the Taxation Committee. I'm David Kent from Standish. I'm a member of Maine Farm Bureau and President of Cumberland County Farm Bureau. I'm testifying today **in support** of L.D. L.D. 1381.

The present system of calculating the excise tax was put into effect in 1969 or 54 years ago. Back then, vehicles were sold at or close to the MSRP. Before the pandemic, dealers were routinely advertising vehicles 15 to 35% below the MSRP. Under the current method, that meant your constituents were constantly paying an excise tax on money that they never spent. During the pandemic that changed to closer to the MSRP. Now, post pandemic dealers are beginning to advertise new vehicles below the MSRP. **L.D. 1381 corrects the flaw and bases the excise tax on the bill of sale or state sales tax document to verify the sales price.** Thus, **your constituents are no longer paying an excise tax on money that they did not spend.** This bill also **makes the municipalities whole** by requiring the State to reimburse them for any loss of revenue in comparing the new method to the old method.

You may hear testimony that the proposed change is not fair to those who are not good negotiators. Well life isn't always fair. You will also hear testimony about the cheaters. Unfortunately, we do have cheaters in our society. The proposed changes are acceptable to the State in collecting the sales tax, so why aren't they acceptable to the municipalities? We strongly support an **out to pass** on L.D. 1381.

Thank you. Any questions?