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Testimony of the Maine Municipal Association (MMA) In Opposition to

LD 15, An Act to Eliminate the Excise Tax on Camper Trailers

February 4, 2025

Senator Grohoski, Representative Cloutier and distinguished members of the Joint Standing Committee on Taxation, my name is Amanda Campbell, and I am submitting testimony on behalf of the Maine Municipal Association's 70-member Legislative Policy Committee (LPC) in opposition to LD 15.

This session, the LPC proactively established a platform of bills intended to bolster and support the property taxpayers of Maine. Through initiatives across the legislative board, they are committed to protecting the interests of their residents and to reducing the burden of property taxes.

LD 15 seeks to eliminate the excise tax on camper trailers. This proposed reduction in municipal revenue is in direct conflict with the LPC's position. Since this bill is limited to eliminating the tax itself, but not the registration of a camper trailer, the state will continue to receive those funds, but not through a stream that is shared with municipalities, like revenue sharing.

As defined in statute, camper trailers are subject to excise tax, "for the privilege of operating upon the public ways." That privilege is unchanged whether an excise tax is paid or not. However, with this proposal the tax burden would simply shift from excise tax to personal property tax. Additionally, the administrative burden would shift from municipal agent and tax collector to the municipal assessor. Either excise tax or personal property tax must be paid. If the excise tax is not paid at the time of registration, the assessor will be forced to assess the camper as personal property. This shift may or may not result in a tax increase. Regardless, the process of explaining the differences between excise tax and personal property tax law will be difficult and the taxation process itself laborious to implement. The current process of paying excise tax at the time of vehicle registration is easy and well understood.

Municipal officials agree that addressing the property tax burden of Maine citizens is critical. However, this is not the time to reduce revenues on which so many communities are counting.

Thank you for the opportunity to speak with you and share the municipal perspective on this important topic. Please feel free to contact me or any member of the MMA Advocacy team with any questions related to municipal operations.