



HOUSE OF REPRESENTATIVES

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April 14, 2025

Good afternoon, Senator Nangle, Representative Crafts, and distinguished members of the Joint Standing Committee on Transportation. I am Representative Bob Nutting, and I am proud to represent the citizens of Starks, Mercer, Smithfield, Oakland, and a part of Sidney. I am here today to present **LD 1581, "An Act Regarding the Motor Vehicle Tax Exemption for Certain Veterans"**.

In the 130th and 131st Legislatures, the law was changed about certain vehicles registered to 100% disabled veterans such that they do not have to choose to display a disabled veteran registration plate to gain the exemption on the annual registration fee and/or the excise tax.

As a result of the changes, any vehicle with a gross vehicle weight of not more than 26,000 pounds which has such a veteran's name on the registration is exempt from both the registration fee and the excise tax. It is now possible for anyone to obtain permission from such a veteran to add his or her name to a registration to avoid all the fees and taxes. Surely nobody intended for this to be true. It was an oversight or a series of oversights. I was first made aware of this oversight in August of 2024 when I received a letter from the Sidney Selectmen asking if their interpretation of the law was correct. They subsequently received in September, a letter from the Secretary of State confirming that they were correct. I was informed that in a period of three months, Sidney had lost over \$11,000.

I think that everyone believes that 100% disabled veterans deserve to be free from registration fees and excise taxes but not for limitless vehicles with registrations to which they have added their name.

I understand that there is at least one other bill before you (Rep. Drinkwater's LD 807) dealing with this issue. His bill would limit the number of vehicles to three and would require the State of Maine to reimburse municipalities for the loss of excise taxes resulting in a cost to the Highway Fund of about \$100,000 annually just for administration of the program. My bill differs in that it has no limit as to the number of vehicles and does not require the communities to be reimbursed.

District 66 Oakland, Mercer, Smithfield, Starks & Sidney (part)

My bill does, however, require that the veteran be listed on the Certificate of Title and not simply on the registration.

Rep. Greenwood is a mandated co-sponsor on my bill because he had one which was very similar. He asks if the veteran should be listed as a Joint Owner on the Title. I leave that to you.

Finally, there are towns that have lost large amounts of taxes due to this loophole and I fear that it will only increase once it is more widely known. I think that tightening up this law while benefiting veterans as intended is paramount. Requiring the State to reimburse cities and towns causes a fiscal note which may lead to the bill dying on the appropriations table. . .perhaps that is a discussion for another legislature. . .but I ask you to fix this oversight now with your choice of bills.

Thank you. I would be happy to take your questions.

Robert W. Nutting
State Representative

DRAFT

An Act to Clarify and Amend the Excise Tax Exemption for Certain Veterans

Be it enacted by the People of the State of Maine as follows:

36 MRSA §1483 is amended to read:

12. Certain veterans. Automobiles owned by veterans who are granted free registration of those vehicles by the Secretary of State under Title 29-A, section 523, subsection 1 or up to three automobiles, titled solely in the veteran's name or titled as a joint owner when ownership is shared by additional owners, who are is disabled by injury or disease incurred or aggravated during active military service in the line of duty and ~~are is~~ receiving any form of pension or compensation from the United States Government for total, service-connected disability;

§523. Certain veterans

2. Disabled veterans; special free license plates. The Secretary of State, on application and upon evidence of payment of the excise tax required by Title 36, section 1482 or upon evidence of exemption from excise tax under Title 36, section 1483, subsection 12, shall issue, with no annual registration fee, a registration certificate and upon request special designating plates to be used in lieu of regular registration plates for up to three vehicles ~~a vehicle~~ with a registered gross weight of not more than 26,000 pounds to any 100% disabled veteran when that application is accompanied by certification from the United States Department of Veterans Affairs or any branch of the United States Armed Forces as to the veteran's permanent disability and receipt of 100% service-connected benefits. Upon request a disability placard may be issued at no fee. The Secretary of State may issue a registration certificate and special designating plates for more than one vehicle owned by a veteran eligible under this subsection.

These special designating plates must bear the words "Disabled Veteran," which indicate that the vehicle is owned by a disabled veteran.

Summary

This clarifies that a veteran who qualifies for an automobile excise tax exemption may receive the exemption on up to three automobiles and that the vehicle must be titled to the veteran.