

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

Before the Joint Standing Committee on Transportation
Hearing Date: *April 30, 2025, Wednesday at 1:00 P.M.*

LD 1659 – *“An Act to Raise Revenue to Fund Firefighting Equipment Purchases
and Training Related to Electric Vehicle Fires Through a Fee on Electric
Vehicles”*

Senator Nangle, Representative Crafts, and members of the Transportation 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 1659, *“An Act to Raise Revenue to Fund Firefighting Equipment Purchases and Training Related to Electric Vehicle Fires Through a Fee on Electric Vehicles.”* My testimony today is limited to Section 2 of the bill which would establish the electric vehicle fee.

The bill would impose a \$250 fee on the sale of a new or used electric or plug-in hybrid vehicle in Maine by a dealer. The Secretary of State would be required to collect the fee and deposit the fee revenue into the Electric Vehicle Firefighting Fund, which would be established to provide funding to Maine fire departments to purchase equipment and provide training related to electric vehicle fires.

Because the bill specifies that the electric vehicle fee is to be collected by the Secretary of State, Section 2 of the bill should be amended to move the fee provisions from Title 36 to Title 29-A. Further, it is unclear what effect, if any, is intended by specifying that the fee shall be collected “on behalf of the State Tax

Assessor,” and with the fee provision moved to Title 29-A that phrase should be stricken.

Furthermore, the Committee should consider whether within Title 29-A the bill should be amended to include administrative details, such as whether the fee is to be reported on a specific form, on or before the 15th day of each month, etc. More generally, the bill should specify whether the fee is imposed on the dealer or the customer, and it should include an effective date.

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