



# 127th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2015

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Legislative Document

No. 94

H.P. 77

House of Representatives, January 16, 2015

**An Act To Base the Excise Tax Imposed on the Purchase of a Motor  
Vehicle on the Price Paid**

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Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "R B. Hunt".

ROBERT B. HUNT  
Clerk

Presented by Representative SIROCKI of Scarborough.  
Cosponsored by Representatives: AUSTIN of Gray, DUNPHY of Embden, FARRIN of  
Norridgewock, HARLOW of Portland, O'CONNOR of Berwick, TIMBERLAKE of Turner,  
TUELL of East Machias, Senator: WHITEMORE of Somerset.

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

2 **Sec. 1. 29-A MRSA §533-A, sub-§3, ¶A,** as amended by PL 2011, c. 646, §1, is  
3 further amended to read:

4 A. Between July 1st and October 31st, the Secretary of State shall disburse to a  
5 participating municipality a sum equal to the difference in the amount of excise tax  
6 that would have been collected by that municipality in the prior fiscal year on each  
7 ~~commercial motor vehicle or bus~~ under Title 36, section 1482, subsection 1,  
8 paragraph C, ~~subparagraph (3) or (4)~~ using the manufacturer's suggested retail price  
9 from the amount of that excise tax actually collected by that municipality in the prior  
10 fiscal year based on the actual purchase price. The Secretary of State shall provide  
11 supporting documentation to a municipality regarding the disbursement that  
12 municipality receives under this section.

13 **Sec. 2. 36 MRSA §1482, sub-§1, ¶C,** as amended by PL 2013, c. 263, §1, is  
14 further amended to read:

15 C. For the privilege of operating a motor vehicle or camper trailer on the public  
16 ways, each motor vehicle, other than a stock race car, or each camper trailer to be so  
17 operated is subject to excise tax as follows, except as specified in subparagraph ~~(3),~~  
18 ~~(4)~~ or (5): a sum equal to 24 mills on each dollar of the ~~maker's list~~ purchase price in  
19 the original year of title for the first or current year of model, 17 1/2 mills for the 2nd  
20 year, 13 1/2 mills for the 3rd year, 10 mills for the 4th year, 6 1/2 mills for the 5th  
21 year and 4 mills for the 6th and succeeding years. The minimum tax is \$5 for a motor  
22 vehicle other than a bicycle with motor attached, \$2.50 for a bicycle with motor  
23 attached, \$15 for a camper trailer other than a tent trailer and \$5 for a tent trailer. The  
24 excise tax on a stock race car is \$5.

25 (1) On new registrations of automobiles, trucks and truck tractors, the excise tax  
26 payment must be made prior to registration and is for a one-year period from the  
27 date of registration.

28 (2) Vehicles registered under the International Registration Plan are subject to an  
29 excise tax determined on a monthly proration basis if their registration period is  
30 less than 12 months.

31 ~~(3) For commercial vehicles manufactured in model year 1996 and after, the~~  
32 ~~amount of excise tax due for trucks or truck tractors registered for more than~~  
33 ~~26,000 pounds and for Class A special mobile equipment, as defined in Title~~  
34 ~~29-A, section 101, subsection 70, is based on the purchase price in the original~~  
35 ~~year of title rather than on the list price.~~ Verification of purchase price for the  
36 application of excise tax is determined by the initial bill of sale or the state sales  
37 tax document provided at point of purchase. The initial bill of sale is that issued  
38 by the dealer to the initial purchaser of a new vehicle.

39 ~~(4) For buses manufactured in model year 2006 and after, the amount of excise~~  
40 ~~tax due is based on the purchase price in the original year of title rather than on~~  
41 ~~the list price.~~ Verification of purchase price for the application of excise tax is  
42 determined by the initial bill of sale or the state sales tax document provided at

1 ~~point of purchase. The initial bill of sale is that issued by the dealer to the initial~~  
2 ~~purchaser of a new vehicle~~ a used motor vehicle or camper trailer, if the initial  
3 bill of sale or the state sales tax document provided at point of purchase is not  
4 available, the excise tax due is based on the maker's list price.

5 (5) For trucks or truck tractors registered for more than 26,000 pounds that have  
6 been reconstructed using a prepackaged kit that may include a frame, front axle  
7 or body but does not include a power train or engine and for which a new  
8 certificate of title is required to be issued, the amount of excise tax due is based  
9 on the maker's list price of the prepackaged kit.

10 For motor vehicles being registered pursuant to Title 29-A, section 405, subsection 1,  
11 paragraph C, the excise tax must be prorated for the number of months in the  
12 registration.

### 13 **SUMMARY**

14 Under current law, the excise tax imposed on the sale of motor vehicles, except for  
15 commercial motor vehicles manufactured in model year 1996 and after and buses  
16 manufactured in model year 2006 and after, and camper trailers is based on the maker's  
17 list price of the motor vehicle or camper trailer.

18 This bill requires the excise tax on motor vehicles and camper trailers to be based on  
19 the purchase price of the motor vehicle or camper trailer. The purchase price is  
20 determined for new motor vehicles and camper trailers based on the initial bill of sale or  
21 state sales tax document. For used motor vehicles and camper trailers, if the initial bill of  
22 sale or state sales tax document is not available, the excise tax is based on the maker's list  
23 price.

24 Current law requires the State to reimburse a municipality for the difference in excise  
25 tax collected due to the tax being imposed on the purchase price, rather than the maker's  
26 list price, of a commercial motor vehicle or bus. This bill extends that reimbursement  
27 requirement to the difference in excise tax collected on all motor vehicles based on the  
28 purchase price.