



125th MAINE LEGISLATURE

FIRST REGULAR SESSION-2011

Legislative Document

No. 79

H.P. 67

House of Representatives, January 12, 2011

An Act To Base the Excise Tax on Vehicles on a Percentage of the Manufacturer's Suggested Retail Price

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "Heather J.R. Priest".

HEATHER J.R. PRIEST
Clerk

Presented by Representative KNIGHT of Livermore Falls.
Cosponsored by Senator SHERMAN of Aroostook and
Representatives: BENNETT of Kennebunk, HARMON of Palermo, NEWENDYKE of
Litchfield, O'CONNOR of Berwick, PICCHIOTTI of Fairfield, PILON of Saco,
SANDERSON of Chelsea, Senator: TRAHAN of Lincoln.

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

2 **Sec. 1. 36 MRSA §1482, sub-§1, ¶C**, as amended by PL 2001, c. 671, §32, is
3 further amended to read:

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

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

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

20 (3) For commercial vehicles manufactured in model year 1996 and after, the
21 amount of excise tax due for trucks or truck tractors registered for more than
22 26,000 pounds and for Class A special mobile equipment, as defined in Title
23 29-A, section 101, subsection 70, is based on the purchase price in the original
24 year of title rather than on the list price. Verification of purchase price for the
25 application of excise tax is determined by the initial bill of sale or the state sales
26 tax document provided at point of purchase. The initial bill of sale is that issued
27 by the dealer to the initial purchaser of a new vehicle.

28 For motor vehicles being registered pursuant to Title 29-A, section 405, subsection 1,
29 paragraph C, the excise tax must be prorated for the number of months in the
30 registration. For purposes of this paragraph, "adjusted maker's list price" means 90%
31 of the maker's list price.

32 **Sec. 2. Application.** This Act applies to motor vehicles registered on or after
33 October 1, 2011.

34 **SUMMARY**

35 Current law requires the excise tax paid on motor vehicles to be based on the
36 manufacturer's suggested retail price, regardless of the amount actually paid for the motor
37 vehicle.

38 This bill instead requires the excise tax to be based on 90% of the manufacturer's
39 suggested retail price for the motor vehicle, regardless of the amount actually paid for the
40 motor vehicle.