

OFFICE OF FISCAL AND PROGRAM REVIEW

Date: May 23, 2013
To: Members, Joint Standing Committee on Taxation
From: Elizabeth Cooper, Legislative Analyst
Re: Final Amendment Review – LD 1379

An amendment and fiscal note for LD 1379 are attached for your review.

LD 1379 "An Act Regarding the Valuation of Certain Vehicles"

The Committee unanimous voted OPA on May 3, 2013.

- The amendment replaces the bill and clarifies that for trucks or truck tractors registered for more than 26,000 pounds that have been reconstructed using a prepackaged kit that may include a frame, front axle or body but does not include a power train or engine and for which a new certificate of title is required to be issued, the amount of excise tax due is to be based on the maker's list price of the prepackaged kit.
- The fiscal note indicates a minor revenue increase to the Highway Fund and that this legislation could result in a minor reduction in reimbursements to municipalities.

Please let me know if you have any questions or concerns about this amendment. It will be reported out soon.



126th MAINE LEGISLATURE

LD 1379

LR 2077(02)

An Act Regarding the Valuation of Certain Vehicles

Fiscal Note for Bill as Amended by Committee Amendment " "

Committee: Taxation

Fiscal Note Required: Yes

Fiscal Note

Minor revenue increase - Highway Fund

Fiscal Detail and Notes

The provisions in this legislation could result in a minor reduction in reimbursements to municipalities through the Municipal Excise Tax Reimbursement resulting in a minor increase in Highway Fund revenue.

Date: (Filing No. S-)

TAXATION

Reproduced and distributed under the direction of the Secretary of the Senate.

STATE OF MAINE

SENATE

126TH LEGISLATURE

FIRST REGULAR SESSION

COMMITTEE AMENDMENT " " to S.P. 486, L.D. 1379, Bill, "An Act Regarding the Valuation of Certain Vehicles"

Amend the bill by striking out everything after the enacting clause and before the summary and inserting the following:

'Sec. 1. 36 MRSA §1482, sub-§1, ¶C, as amended by PL 2011, c. 646, §3, is further amended to read:

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

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

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

(3) For commercial vehicles manufactured in model year 1996 and after, the amount of excise tax due for trucks or truck tractors registered for more than 26,000 pounds and for Class A special mobile equipment, as defined in Title 29-A, section 101, subsection 70, is based on the purchase price in the original year of title rather than on the list price. Verification of purchase price for the application of excise tax is determined by the initial bill of sale or the state sales

COMMITTEE AMENDMENT

1 tax document provided at point of purchase. The initial bill of sale is that issued
2 by the dealer to the initial purchaser of a new vehicle.

3 (4) For buses manufactured in model year 2006 and after, the amount of excise
4 tax due is based on the purchase price in the original year of title rather than on
5 the list price. Verification of purchase price for the application of excise tax is
6 determined by the initial bill of sale or the state sales tax document provided at
7 point of purchase. The initial bill of sale is that issued by the dealer to the initial
8 purchaser of a new vehicle.

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

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

17 **Sec. 2. 36 MRSA §1482, sub-§4**, as amended by PL 1997, c. 200, §1, is further
18 amended to read:

19 **4. Maker's list price.** The maker's list price of a vehicle to be used shall must be
20 obtained from sources approved by the State Tax Assessor, except for a truck or truck
21 tractor described under subsection 1, paragraph C, subparagraph (5). ~~Where~~ When the
22 maker's list price of a vehicle is not readily obtainable the State Tax Assessor shall
23 prescribe the maker's list price to be used or the manner in which the maker's list price
24 shall ~~be~~ is determined.

25 A. At the time of payment of the excise tax prior to a new registration for a new
26 passenger vehicle purchased from a motor vehicle dealer licensed in any state for the
27 sale of new passenger vehicles, the owner shall submit the manufacturer's suggested
28 retail price sticker, or a copy of the sticker, to the excise tax collector. In the case of
29 rental and fleet vehicles, other documentation may be provided at the discretion of
30 the municipal excise tax collector.

31 This paragraph applies only to those vehicles for which a manufacturer's suggested
32 retail price sticker is required by the Federal Government.'

33 SUMMARY

34 This amendment replaces the bill and clarifies that for trucks or truck tractors
35 registered for more than 26,000 pounds that have been reconstructed using a prepackaged
36 kit that may include a frame, front axle or body but does not include a power train or
37 engine and for which a new certificate of title is required to be issued, the amount of
38 excise tax due is based on the maker's list price of the prepackaged kit.