



# 131st MAINE LEGISLATURE

## FIRST REGULAR SESSION-2023

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Legislative Document

No. 1381

S.P. 546

In Senate, March 28, 2023

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**An Act to Create Fairness in Maine's Motor Vehicle Excise Tax by  
Basing the Tax on the Sale Price**

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Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT  
Secretary of the Senate

Presented by Senator GUERIN of Penobscot.  
Cosponsored by Representative SMITH of Palermo and  
Senators: BRAKEY of Androscoggin, KEIM of Oxford, LIBBY of Cumberland, LYFORD of  
Penobscot, MOORE of Washington, STEWART of Aroostook, TIMBERLAKE of  
Androscoggin.

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 that  
6 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, paragraph  
8 C, ~~subparagraph (3) or (4)~~ using the manufacturer's suggested retail price from the  
9 amount of that excise tax actually collected by that municipality in the prior fiscal year  
10 based on the actual purchase price. The Secretary of State shall provide supporting  
11 documentation to a municipality regarding the disbursement that municipality receives  
12 under this section.

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

15 C. For the privilege of operating a motor vehicle, including a commercial motor  
16 vehicle as defined in Title 29-A, section 101, subsection 17, paragraphs A and B and  
17 special mobile equipment as defined in Title 29-A, section 101, subsection 70, or  
18 camper trailer on the public ways, each motor vehicle, other than a stock race car, or  
19 each camper trailer to be so operated is subject to excise tax as follows, ~~except as~~  
20 ~~specified in subparagraph (3), (4) or (5):~~ a sum equal to 24 mills on each dollar of the  
21 ~~maker's list~~ purchase price for the first or current year of model, 17 1/2 mills for the  
22 2nd year, 13 1/2 mills for the 3rd year, 10 mills for the 4th year, 6 1/2 mills for the 5th  
23 year and 4 mills for the 6th and succeeding years. The minimum tax is \$5 for a motor  
24 vehicle other than a bicycle with motor attached, \$2.50 for a bicycle with motor  
25 attached, \$15 for a camper trailer other than a tent trailer and \$5 for a tent trailer. The  
26 excise tax on a stock race car is \$5.

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

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

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

41 ~~(4) For buses manufactured in model year 2006 and after, the amount of excise~~  
42 ~~tax due is based on the purchase price in the original year of title rather than on the~~  
43 ~~list price. Verification of purchase price for the application of excise tax is~~  
44 ~~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.

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

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

11 **Sec. 3. 36 MRSA §1482, sub-§4**, as amended by PL 2013, c. 263, §2, is further  
12 amended to read:

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

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

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

## 26 SUMMARY

27 This bill changes the method of computing the excise tax that is levied on motor  
28 vehicles, special mobile equipment and camper trailers registered in the State.

29 With the exception of certain commercial motor vehicles, buses and special mobile  
30 equipment, current law requires that the excise tax be based upon the maker's list price for  
31 the motor vehicle; the excise tax on certain commercial motor vehicles, buses and special  
32 mobile equipment is based on the purchase price. This bill requires that the excise tax for  
33 all motor vehicles, special mobile equipment and camper trailers be based upon the  
34 purchase price of the vehicle, equipment or trailer. Either the original bill of sale or the  
35 state sales tax document may be used to verify the purchase price.

36 Current law also requires the State to reimburse a municipality for the difference in the  
37 amount of excise tax that would have been collected by the municipality on each  
38 commercial motor vehicle or bus using the manufacturer's suggested retail price instead of  
39 the actual purchase price. This bill applies that requirement to all vehicles registered and  
40 taxed by the municipality using the actual purchase price.