

STATE OF MAINE

Interdepartmental Memorandum

February 6, 2012

To: The Joint Standing Committee on Taxation

From: David P. Ledew, Director, Property Tax Division, Maine Revenue Services (MRS)

Subject: LD 1699 – An Act To Create Excise Tax Equity and Consistency for Buses

Primary Sponsor: Representative Jane Knapp.

Estimated Revenue Impact: The estimated reduction in revenue will be submitted by the Bureau of Motor Vehicles

Estimated Administrative Cost Impact: The administrative cost to Maine Revenue Services is nominal and can be absorbed within the existing budgetary allotments. The impact for the Bureau of Motor Vehicles is a matter for them to address.

Identified Issues:

- Currently motor vehicle excise tax is based on the makers' list price of the vehicle with the exception of commercial trucks and truck tractors of more than 26,000 pounds and certain special mobile equipment manufactured in model year 1996 or after where the tax is based on the actual purchase price of the vehicle.
- This bill would require the excise tax for busses manufactured in model year 2006 and after and are designed to carry more than 15 passengers to be based on purchase price instead of makers' list price.
- Reductions in municipal excise tax revenue would be reimbursed by the Secretary of State.

Similar Legislative Proposals:

124th Legislature: LD 381

123rd Legislature 1st Session LD 1905

cc (by e-mail): Office of Fiscal & Program Review
Office of DAFS Commissioner
Office of the Attorney General
Office of Policy & Legal Analysis
Bureau of Motor Vehicles

State Budget Office
Office of the Governor
Revisor's Office
Office of Information Technology