



127th MAINE LEGISLATURE

LD 94

LR 152(02)

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

Fiscal Note for Bill as Amended by Committee Amendment " "

Committee: Taxation

Fiscal Note Required: Yes

Fiscal Note

	FY 2015-16	FY 2016-17	Projections FY 2017-18	Projections FY 2018-19
Net Cost (Savings)				
General Fund	\$0	\$15,000	\$30,000	\$30,000
Highway Fund	\$0	\$0	(\$130,000)	(\$260,000)
Appropriations/Allocations				
Other Special Revenue Funds	\$0	\$0	(\$130,000)	(\$260,000)
Revenue				
General Fund	\$0	(\$15,000)	(\$30,000)	(\$30,000)
Highway Fund	\$0	\$0	\$130,000	\$260,000
Other Special Revenue Funds	\$0	(\$66,500)	(\$133,000)	(\$133,000)

Fiscal Detail and Notes

This bill proposes to reduce excise tax payments paid on motor vehicles by basing them on 90% of the maker's list price effective January 1, 2017. This will decrease General Fund revenue by \$15,000 in fiscal year 2016-17 related to excise tax paid by out of state residents. It will also result in a decrease in Other Special Revenue Funds revenue to the Department of Administrative and Financial Services of \$66,500 in fiscal year 2016-17 related to excise tax paid in the unorganized territories. It will also allow an Other Special Revenue Funds deallocation to the Secretary of State of \$130,000 in fiscal year 2017-18 since reimbursement to municipalities through the Municipal Excise Tax Reimbursement Fund will be decreased. Under current statute, the amount remaining in this fund at the end of the year is transferred to the Highway Fund. Since payments deposited into the Municipal Excise Tax Reimbursement Fund through the International Registration Plan will not change under this legislation, but the reimbursement to municipalities will decrease, the amount transferred to the Highway Fund will increase Highway Fund revenues by \$130,000 in fiscal year 2017-18.

It is estimated that excise tax revenues to municipalities will decrease by approximately \$21 million annually.