

OFFICE OF FISCAL AND PROGRAM REVIEW

Date: January 17, 2012
To: Members, Joint Standing Committee on Taxation
From: Elizabeth Cooper, Legislative Analyst

L.D. 52 An Act To Dedicate a Percentage of the Sales and Use Tax on Motor Vehicles and Motor Vehicle Parts to the Highway Fund

Bill Summary: This bill provides that 20% of the sales or use tax on motor vehicles and motor vehicle parts must be transferred to the Highway Fund beginning in 2012.

Public Hearing and Work Session: See work session analysis sheet dated 2/17/11 (pink) for summary of public hearing, which was held on Feb 15th.

Carried Over: The bill was voted to be carried over by a majority of Taxation Committee member on March 14, 2011.

- Some members wanted to explore issues such as related to electric cars and hybrids and possible revenue streams related to energy corridor, leased land, and common carriers.
- Other issues that were briefly discussed prior to the carry over vote included concerns about earmarking, state roads such as 202, and current division of highway fund.

Technical/Drafting Issues as written:

Several issues raised in MRS memo that should be discussed as possible amendments for drafting purposes should the Committee decide to move forward with this bill. Need to consider reporting issues for retailers as well as computer program and other administrative cost for state. Several definitions and clarifications need to be discussed in Committee to be drafted.