

II. Identifying the Vehicle

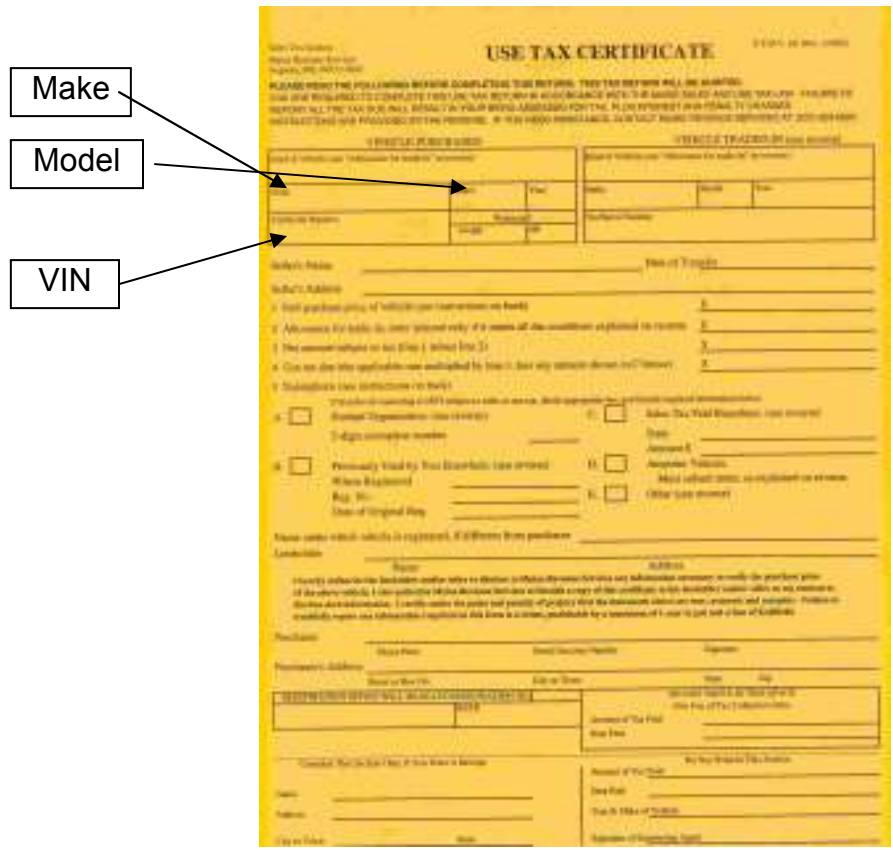
The excise tax transaction begins when the customer walks into the tax collectors office. At that point, even before the calculation can begin, the collector must first identify what type of vehicle the customer wishes to register. You must determine if the vehicle is an automobile, truck, motorcycle, recreation vehicles, etc.. If the vehicle was purchased from a private individual, the documentation that the person has in his or her possession is probably very limited. Often, the only paperwork they have is a quickly written bill of sale from the previous owner and the previous owner's title if the vehicle is less than 15-years old.

If the vehicle was purchased from a State of Maine dealer, there are a number of legally required documents that the dealer must process at the time of the sales transaction, including:

- Sales Tax Certificate (green)
- Title Application (Blue)
- Temporary Registration (14 days) (yellow)
- Monroney Label

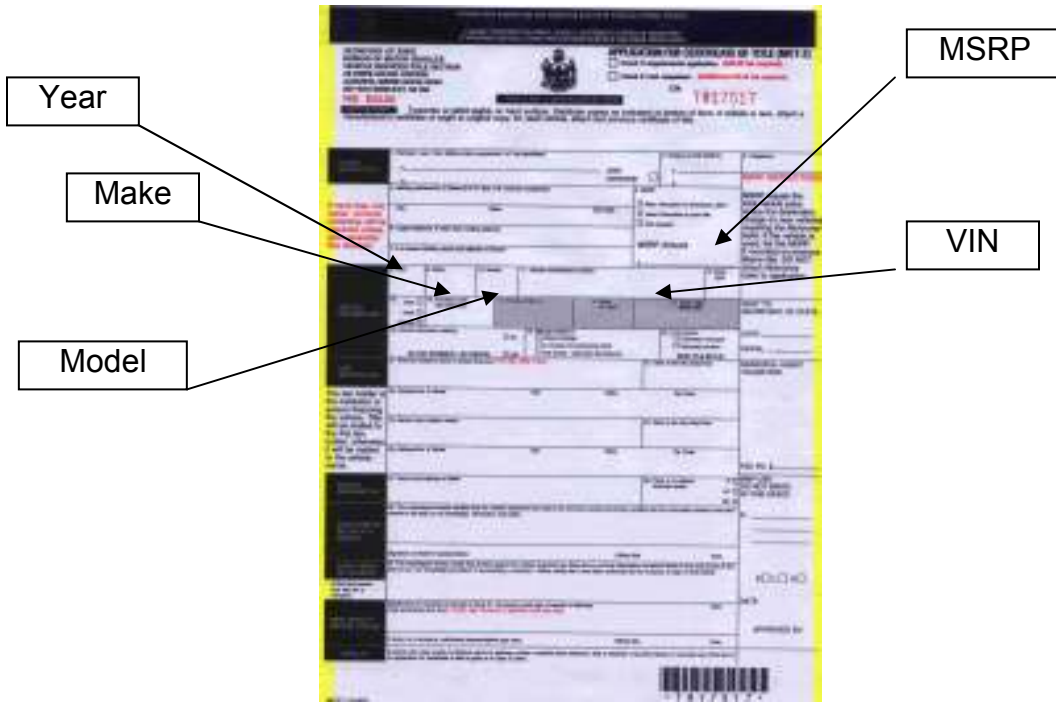
A. Sales Tax Certificate

All Maine dealers must provide their customers with a Dealers Certificate (Exhibit A) showing that the 5% Maine Sales Tax has been paid. If the customer does not have this Sales Tax form (green), please advise that the transaction cannot be completed beyond the excise tax stage. Communities that issue new license plates collect the sales tax and a (yellow) (Shown Below) sales/use tax form is filled out at the time of registration and the 5% sales tax is collected along with the excise tax and registration fees. The sales tax is submitted to the state as part of the motor vehicle registration report.



B. Title Application

To register a car that is less than 15-years old, a title application is required. Depending on the level of training certified by the BMV, tax collectors will look for key pieces of information in identifying the vehicle on the title application. Among these are the Year, Vehicle Identification Number (VIN), Make, Model, and Style. For new vehicles after 2001 sold for the first time in Maine, the MSRP will be recorded in Box 5. Beware! Maine Dealers are not always correct when entering the MSRP. This figure should represent the bottom line MSRP from the Monroney Label, minus the destination charge. It is important to check the Monroney Label to make sure this figure is accurate and that the customer is charged the fair amount of excise tax. Additionally, it's important to photocopy the title application and Monroney Label if there is a discrepancy and fax it to BMV so the title section can accurately record the MSRP on the title.



Tax collectors may opt to use the worksheet on the next page developed by MMTCTA to gather detailed information on the motor vehicle, especially if it's a used vehicle. Because a new vehicle sold by a Maine dealer will have the MSRP recorded on the title application, the worksheet is not necessary.

1. Worksheet for Base Price Determination

Manufacturers have changed how they market optional equipment. Optional equipment once was sold individually on more expensive vehicles.

The number of factory-installed options has increased consistently since the 1977 model year. The most popular items which appeared in more than 90% of all U.S. built automobiles and installed in the 1990 model year were automatic transmission, AM-FM stereo, and rear window defroster. Close behind in popularity were cruise control, air conditioning, intermittent windshield wipers, digital clocks, reclining seats and tilt steering wheel. Other options that continued to rise steadily in popularity during the 1990 model year were power seats and power windows.

By 2005 the manufacturing trend was to sell optional equipment in packages. This allows for the sale of less popular items to be sold with the popular optional items.

The addition of optional equipment to the list price of an automobile cannot be stressed enough. It can be argued that adding optional equipment to the list price of a car can increase any community's excise tax collections by 15% to 20% annually. This can be illustrated by the following example.

LIST PRICE	15,000	YEAR	1995	MAKE	FORD	MODEL	TAURUS
AIR CONDITIONING		650.00		POWER WINDOWS			
ALL WHEEL DRIVE				RADIO AM/FM CASS/CD			
ANTI LOCK BRAKES		450.00		REAR WINDOW DEFROST			
AUTOMATIC TRANS				REMOTE KEYLESS ENTRY			
CARGO LIGHTS				SEATS, BUCKET			
CONV SPARE TIRE				SLIDING SIDE DOOR			
CRUISE CONT/TILT STEERING				SLIDING REAR WINDOW			
DUAL FUEL TANKS				SNOW PLOW PKG			
EXTENDED CAB				STEERING WHEEL, LEATHER			
FOG LIGHTS				SUNROOF			
GARAGE DOOR OPENER				TRACTION CONTROL			
GLASS, TINTED/PRIVACY				4 WHEEL DRIVE			
LUGGAGE RACK							
POWER DECKLID RELEASE				PACKAGE			
POWER LOCKS				#26A (INCLUDES ALL ELSE)			1500.00
POWER MIRRORS							
POWER SEATS							

BASE: 17,600

IF FORMER OWNER IS _____ RESIDENT,
THEIR NAME:

AMOUNT OF TAX \$ 70.40
CREDIT \$ _____
SUBTOTAL \$ _____
HALF RATE \$ _____
TRANSFER CHRG \$ _____
EXCISE TAX TOTAL \$ 70.40

I CERTIFY THAT THE OPTIONS I HAVE
LISTED AT THE TIME OF THIS TRANS-
ACTION ARE TRUE TO THE BEST OF MY
KNOWLEDGE.
SIGNATURE _____

C. Monroney Label

As noted in 36 MRSA §1482 (4) the window sticker of new vehicles is now required when paying excise tax and starting the registration process. This sticker contains the Manufacturer's Suggested Retail Price (MSRP) and the dealer/destination charge. The excise base is the MSRP less the dealer/destination charge. The window sticker looks something like this:



Most, but not all vehicles are required to present the window sticker at the time of excise tax collection. Those that are exempt from the requirement include large trucks and vehicles purchased out of state. As noted in section B above, it is important to check the Monroney Label with the Title Application Box 5 to make sure they match. Often they don't, and that will cause errors in the excise base price for years to come. Once you've determined the correct MSRP, be sure to fax the Monroney Label and the Title Application copies to the Secretary of State's BMV Title Division in order to make sure the correct MSRP is recorded on the title.

MMTCTA fought for many years to require the window sticker law in the hope that in many years the vast majority of Maine vehicles will have the MSRP recorded on the title and transferred as vehicles are bought and sold, speeding the excise collection process and, more importantly, creating an accurate base price from which to start the excise tax collection process. In early 2006 some manufacturers have attempted to improve marketing by issuing an alternate window sticker with a lower MSRP. Maine law only requires the window sticker price be used for the excise tax basis, so it's believed this 2nd, lower MSRP would be a proper base price. Maine Revenue Services has advised that it is up to the discretion of the tax collector to determine the correct base price.

D. The Vehicle Identification Number (VIN)

Beginning with the 1981 model year, the National Highway Traffic Safety Administration, Department of Transportation, required manufacturers selling over-the-road vehicles in the United States to produce the vehicles with a 17-character vehicle Identification Number (VIN).

The first three characters of the VIN are designated the WMI (World Manufacturers Identification). The WMI uniquely identifies the Nation of Origin, Manufacturer, Make and Type of Vehicle.

The second section has five characters and has been designated the VDS (Vehicle Description Section). The VDS uniquely identifies the attributes of the vehicle such as Model, Body Style, Engine, etc.

The third section of the VIN is located after the check digit. It is eight characters in length and is called the VIS (Vehicle Identification Section), the first character represents the vehicle model year; the second character represents the plant of manufacture; and the last six characters represent the sequential production number.

SAMPLE VIN

1FA BP28A6 F F143890

Vehicle Identification Section (VIS)
Check Digit
Vehicle Description Section
World Manufacturer Identification (WMI)
1-Nation of Origin
F-Manufacturer
A-Make and Model

WORLD MANUFACTURER IDENTIFICATION CODES

WMI	MANUFACTURER	WMI	MANUFACTURER	WMI	MANUFACTURER
JH4	Acura	ZFA	Fiat	1G3	Oldsmobile
ZAR	Alpha Romeo	1FA	Ford	VF3	Peugeot
1AM	American Motors	KMH	Hyundai	ZFR	Pinnifarina
SCF	Aston Marton	JHM	Honda	1P3	Plymouth
WAU	Audi	JAB	Isuzu	1G2	Pontiac
12A	Avanti	SAJ	Jaguar	WPO	Porsche
ZBB	Bertone	1JC	Jeep	VF1	Renault
WBA	BMW	1LR	Lincoln	SCA	Rolls Royce
1C4	Buick	SCC	Lotus	YS3	Saab
1C6	Cadillac	ZAM	Maserati	SAX	Sterling
1C1	Chevrolet	JM1	Mazda	JF1	Subaru
1C3	Chrysler	WDB	Mercedes Benz	JS3	Suzuki
JN1	Nissan	1ME	Mercury	JT2	Toyota
SCE	Delorean	WF1	Merkur	WVV	Volkswagen
1B3	Dodge	JA3	Mitsubishi	YV1	Volvo
ZFF	Ferrari				

To determine the year of the manufacture from the 17 digit VIN (character #10 of the VIN) use the table listed below:

1980	A	1981	B	1982	C	1983	D	1984	E
1985	F	1986	G	1987	H	1988	J	1989	K
1990	L	1991	M	1992	N	1993	P	1994	R
1995	S	1996	T	1997	V	1998	W	1999	X
2000	Y	2001	1	2002	2	2003	3	2004	4
2005	5	2006	6	2007	7	2008	8	2009	9
2010	A	2011	B	2012	C	2013	D	2014	E

E. Resources for Price Determination

A number of companies publish price guides that will help determine the base price of vehicles. Most of them charge for the service, some with a yearly subscription. Among the resources are:

AUTOMOBILES, SMALL TRUCKS & VANS

1. Edmunds (<http://www.edmunds.com/>)
2. Red Book (<http://www.pricedigests.com/>)
3. N.A.D.A. (<http://www.nadaguides.com>)
4. Price, Books and Forms (<http://www.autopricebooks.com/>)
5. Branham Auto Reference Book (BARB, no website)
6. Kelley Blue Book (<http://www.kbb.com/>)

LARGE TRUCKS AND VANS

1. Blue Book (<http://www.pricedigests.com/>)
2. Price, Books and Forms (<http://www.autopricebooks.com/>)

RECREATIONAL VEHICLES

1. N.A.D.A. (<http://www.nadaguides.com>)
2. Blue Book (<http://www.pricedigests.com/>)

MOTORCYCLES

1. N.A.D.A. (<http://www.nadaguides.com>)
2. Red Book (<http://www.pricedigests.com/>)
3. Hap Jones (Blue Book) (<http://www.hapjones.com/>)

FARM TRACTORS

1. Green Guide (<http://www.agfacts.co.za/prod02tus.htm>)
2. or...http://www.equipmentwatch.com/Marketing/GG_overview.jsp)
3. Tractor Blue Book (<http://www.pricedigests.com/>)
4. Bureau of Taxation, Property Tax Division (287-2012)

HEAVY EQUIPMENT

1. Green Guide (<http://www.agfacts.co.za/prod03tsp.htm>)
2. or.. http://www.equipmentwatch.com/Marketing/GG_overview.jsp
3. Bureau of Taxation, Property Tax Division (287-2012)

F. Optional Equipment

Most vehicles come with options. This is equipment that adds value to the vehicle beyond the base MSRP. As mentioned previously, it's important to include the option in your MSRP calculation, as it will mean significant additional revenue to your town, and is the fair way to calculate the excise tax.

Let's return to our 1995 Ford Taurus example, the options added \$2,600 to the MSRP of the vehicle. Hypothetically, over a 10 year period, this will add \$237.90 in revenue to your town as follows:

Year	Added Excise Tax
1995	\$62.40
1996	\$45.50
1997	\$35.10
1998	\$26.00
1999	\$16.90
2000	\$10.40
2001	\$10.40
2002	\$10.40
2003	\$10.40
2004	\$10.40
Total	\$237.90

Multiply that added revenue by the number of cars registered, and one quickly realizes this is a significant revenue stream for the municipality.

The value of the options are generally listed by the pricing guide service you subscribe to. The Monroney Label lists each option as well, assuring the sticker price includes all the options. There are some conflicts in some pricing guides as to what options come standard with vehicles. Towns that subscribe to the Primedia Price Digests are advised to consult other sources to confirm what options truly come with the vehicle. One good source is available on-line for free – the Kelley Blue Book website (www.kbb.com). You can pick the year, make and model of the vehicle and quickly see what options were included as standard, and then ask your customer about those that were not. To be fair, if a standard option does not exist on the vehicle (such as air conditioning), that option price should be subtracted from the MSRP base.