

Talking Points in Opposition to the Excise Tax Initiative

- Municipal officials are strongly opposed to the excise tax initiative
- Motor vehicle excise taxes are collected by Maine's towns and cities and retained at the local level to be used for local purposes. The initiative drastically reduces this source of revenue by 40%. (Total excise taxes collected in 2008 = \$205 million. The initiative would reduce that revenue by \$82 million)
- Statewide, municipalities spend \$235 million per year maintaining over 13,000 miles of local roads and over 800 local bridges. This includes plowing snow and sanding streets in the winter as well as road reconstruction and bridge repair in the summer. This work is crucial to our economy and our safety.
- The money used for this road work comes primarily from two sources, 90% from the motor vehicle excise tax and 10% from state aid. There is no requirement that excise taxes be used for road repair and maintenance, but the facts clearly show that they are. The amount all our towns and cities spend on roads and bridges put together is equal to all motor vehicle excise taxes plus all state aid. This is no coincidence.
- The cut to the motor vehicle excise tax caused by the initiative would reduce the quality of our roads and local bridges.
- Also, the initiative will only benefit people who own newer cars, hybrid-type cars and motorcycles. According to the Bureau of Motor Vehicles, nearly 70% of registered cars in Maine don't qualify for any benefit under this proposal. The only ones to get a break are those who can afford a new car, but new cars and hybrids do just as much damage to roads as other cars.
- This proposal only benefits a few. Most of us will see poorer roads or increased property taxes to make up for the lost revenue, or some combination of both.