## MAINE STATE LEGISLATURE

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## STATE OF MAINE SENATE 110TH LEGISLATURE FIRST REGULAR SESSION

(Filing No. S-363)

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SENATE AMENDMENT "A" to H.P. 1652 L.D.1689

3ill, "AN ACT to Create a Fuel Efficiency Adjustment Program and Other Highway Revenue Adjustments."

Amend the Bill by striking out all of sections 1, 3, 4 and 5.

Further amend the Bill in section 10 in that part designated "§2902-A." in the first paragraph by striking out all of the first sentence and inserting in its place the following: 'The State Tax Assessor shall, on or before April 1, 1983, and April 1st each year thereafter, certify the average miles per gallon achieved by passenger vehicles registered in the State in the previous year.'

Further amend the Bill in section 10 in that part designated "§2902-A." by striking out all of the 2nd paragraph and inserting in its place the following:

'From July 1, 1981 to July 1, 1983, the cents per gallon rate shall be 11¢ per gallon. Thereafter the State Tax

Assessor, upon making his certification and prior to April 1,

1983, and April 1st of each subsequent year shall set a cents per gallon rate of tax to be effective for the following fiscal period July 1st to June 30th.'

Further amend the Bill by striking out all of the fiscal note and inserting in its place the following:

## 'Fiscal Note

Holding the tax equivalent cost per mile at the 1975 level, it is estimated that the gas tax would be adjusted to  $11 \, \text{\'e}$  per gallon beginning July 1, 1981.

Other fee adjustments will result in minor changes in

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highway revenues.'

## Statement of Fact

The average fuel efficiency of passenger vehicles operating in 1975 was 13.61 miles per gallon, with a gas tax of 9¢ per gallon. As a result, the average motor vehicle operated in 1975 paid 9¢ to travel 13.61 miles, or .661¢ per mile. Vehicles operating in 1981 are achieving an estimated average fuel efficiency of 17.04 miles per gallon at the same tax rate and, therefore, are paying a reduced tax rate of .528¢ per mile.

This bill would create a fuel efficiency adjustment system whereby the tax rate per mile for those who purchase fuel in Maine would remain constant by annually evaluating the average fuel efficiency of the passenger vehicle fleet in Maine and adjusting the cents per gallon tax rate accordingly.

(Sén. Emerson)

COUNTY Penobscot

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