

MAINE STATE LEGISLATURE

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1 (Governor's Bill)
2 (EMERGENCY)
3 SECOND REGULAR SESSION
4

5 ONE HUNDRED AND TENTH LEGISLATURE
6

7 **Legislative Document**

No. 1949

9 H. P. 1974 House of Representatives, February 9, 1982
Referred to the Committee on Taxation. Sent up for concurrence
and ordered printed.

EDWIN H. PERT, Clerk

10 Presented by Representative Kelleher of Bangor.

Cosponsors: Senator Emerson of Penobscot, Representative J. Di-
amond of Bangor and Representative Tarbell of Bangor.

11
12 **STATE OF MAINE**
13

14 IN THE YEAR OF OUR LORD
15 NINETEEN HUNDRED AND EIGHTY-TWO
16

17 **AN ACT to Eliminate the 24 Excise**
18 **Tax Imposed on Jet Fuel Used by**
19 **International Flights.**
20

21 **Emergency preamble.** Whereas, Acts of the Legislature
22 do not become effective until 90 days after adjournment
23 unless enacted as emergencies; and

24 Whereas, the excise tax on jet fuel is causing interna-
25 tional air carriers to avoid doing business in the State of
26 Maine; and

27 Whereas, the use of airport facilities in the State of
28 Maine by international air carriers greatly benefits the
29 economy of the State of Maine; and

30 Whereas, the loss of business from international air
31 carriers at Maine facilities during the spring and summer of
32 1982 will seriously harm a significant sector of the Maine
33 economy; and

1 Whereas, in the judgment of the Legislature, these
2 facts create an emergency within the meaning of the Consti-
3 tution of Maine and require the following legislation as
4 immediately necessary for the preservation of the public
5 peace, health and safety; now, therefore,

6 Be it enacted by the People of the State of Maine as follows:

7 **36 MRSA §2903, first sentence,** as last amended by PL
8 1977, c. 572, §2, is further amended to read:

9 An excise tax is levied and imposed at the rate of 9¢
10 per gallon upon internal combustion engine fuel sold or used
11 within this State, including such sales when made to the
12 State or any political subdivision thereof, for any purpose
13 whatsoever, excepting such internal combustion engine fuel
14 sold or used in such form and under such circumstances as
15 shall preclude the collection of this tax by reason of the
16 laws of the United States, or sold wholly for exportation
17 from the State, or brought into the State in the ordinary
18 standardized equipment fuel tank attached to and forming a
19 part of a motor vehicle and used in the operation of such
20 vehicle within the State, except that the rate shall be 1¢
21 per gallon upon internal combustion engine fuel as defined
22 in section 2902 bought or used by any person, association of
23 persons, firm or corporation for the purpose of propelling
24 jet or turbojet engine aircraft, not for international
25 flights, including such sales when made to the State or any
26 political subdivision thereof, ~~and except that the rate~~
27 ~~shall be 2¢ per gallon and except that no tax may be levied~~
28 ~~upon internal combustion engine fuel as defined in section~~
29 ~~2902 bought or used by any person, association of persons,~~
30 ~~firm or corporation for the purpose of propelling jet or~~
31 ~~turbojet engine aircraft for international flights excepting~~
32 ~~such fuel sold or used under such circumstances as shall~~
33 ~~preclude the collection of this tax by reason of the laws of~~
34 ~~the United States, or sold wholly for exportation from the~~
35 ~~State, or brought into the State in the fuel tanks of an~~
36 ~~aircraft.~~

37 **Emergency clause.** In view of the emergency cited in
38 the preamble this Act shall take effect when approved for
39 fuel sold on or after the first day of the first month fol-
40 lowing the enactment of this Act.

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FISCAL NOTE

It is estimated that the elimination of the 2¢ excise tax would result in the loss of revenue in the amount of \$34,000 for fiscal year 1982, and \$217,300 for fiscal year 1983.

STATEMENT OF FACT

The City of Bangor has presented information and facts which have reflected that the 2¢ excise tax imposed by the State on jet fuel by international flights has inhibited the city's ability to effectively compete for the servicing of "thru-flight" international air carriers. Since fuel costs represent 35% to 40% of the cost associated with each international flight, air carriers who would otherwise use Bangor International Airport have begun and now choose to use airports in Massachusetts, New York, and Canada which compete for this traffic. It is anticipated that elimination of the 2¢ excise tax on jet fuel used by international flights would allow the City of Bangor to effectively compete against these airports thereby increasing its airport use and the taxable expenditures of those using the airport.

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