

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

R.O.S.

L.D. 131

DATE: 3/30/05

(Filing No. H-96)

TRANSPORTATION

Reproduced and distributed under the direction of the Clerk of the House.

STATE OF MAINE
HOUSE OF REPRESENTATIVES
122ND LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 109, L.D. 131, Bill, "An Act To Delay the Fiscal Sustainability of the Highway Fund"

Amend the bill by striking out the title and substituting the following:

'An Act To Equitably Maintain the Fiscal Sustainability of the Highway Fund'

Further amend the bill by striking out everything after the title and before the summary and inserting in its place the following:

'Emergency preamble. Whereas, acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, the 90-day period may not terminate until after the beginning of the next fiscal year; and

Whereas, certain obligations and expenses incident to the operation of the state departments and institutions will become due and payable immediately; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

COMMITTEE AMENDMENT

R. of S.

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

2
4
6
8
10
12
14
16
18
20
22
24
26
28
30
32
34
36
38
40
42
44
46
48
50

Sec. 1. 36 MRSA §2903, sub-§1, as amended by PL 2001, c. 688, §1, is further amended to read:

1. **Excise tax imposed.** An excise tax is imposed on internal combustion engine fuel used or sold within this State, including sales to the State or a political subdivision of the State, ~~at the rate of 22¢ per gallon, except that the rate is 2.4¢ per gallon on internal combustion engine fuel, as defined in section 2902, bought or used for the purpose of propelling jet or turbojet engine aircraft. The tax rate provided by this section is subject to annual inflation adjustment pursuant to section 2221 except with respect to the tax imposed upon fuel bought or used for the purpose of propelling jet or turbojet engine aircraft.~~ The applicable tax rate is:

D. Prior to July 1, 2005, 25.2¢ per gallon;

E. Beginning July 1, 2005 and until June 30, 2006, 25.9¢ per gallon;

F. Beginning July 1, 2006, 26.5¢ per gallon; and

G. For internal combustion engine fuel bought or used for the purpose of propelling jet or turbojet aircraft, 3.4¢ per gallon.

Sec. 2. 36 MRSA §3203, sub-§1, as amended by PL 2001, c. 688, §5, is repealed and the following enacted in its place:

1. **Generally.** Except as provided in section 3204-A, an excise tax is levied and imposed on all suppliers of distillates sold, on all retailers of low-energy fuel sold and on all users of special fuel used in this State at the following rates:

A. For distillates, the applicable tax rate is:

(1) Prior to July 1, 2006, 26.3¢ per gallon; and

(2) Beginning July 1, 2006, 26.5¢ per gallon; and

B. For low-energy fuel, the tax rate is based on the British Thermal Unit, or "BTU," energy content for each fuel as compared to gasoline. Applicable BTU values and tax rates are determined as follows:

(1) For gasoline with a BTU content per gallon of 115,000 and a BTU value of 100%, the tax rate is:

H. OF S.

COMMITTEE AMENDMENT "A" to H.P. 109, L.D. 131

- 2 (a) From July 1, 2004 to June 30, 2005, 25.2¢ per
 gallon as authorized in section 2903;
- 4 (b) From July 1, 2005 to June 30, 2006, 25.9¢ per
 gallon as authorized in section 2903; and
- 6 (c) Beginning July 1, 2006, 26.5¢ per gallon as
8 authorized in section 2903;
- 10 (2) For methanol, M85, with a BTU content per gallon
 of 65,530 and a BTU value of 57%, the tax rate is:
- 12 (a) From July 1, 2004 to June 30, 2005, 14.3¢ per
14 gallon;
- 16 (b) From July 1, 2005 to June 30, 2006, 14.7¢ per
 gallon; and
- 18 (c) Beginning July 1, 2006, 15.1¢ per gallon;
- 20 (3) For ethanol, E85, with a BTU content per gallon of
22 81,850 and a BTU value of 71%, the tax rate is:
- 24 (a) From July 1, 2004 to June 30, 2005, 17.8¢ per
 gallon;
- 26 (b) From July 1, 2005 to June 30, 2006, 18.3¢ per
28 gallon; and
- 30 (c) Beginning July 1, 2006, 18.8¢ per gallon;
- 32 (4) For propane with a BTU content per gallon of
34 84,500 and a BTU value of 73%, the tax rate is:
- 36 (a) From July 1, 2004 to June 30, 2005, 18.3¢ per
 gallon;
- 38 (b) From July 1, 2005 to June 30, 2006, 18.9¢ per
 gallon; and
- 40 (c) Beginning July 1, 2006, 19.3¢ per gallon; and
- 42 (5) For compressed natural gas with a BTU content per
44 standard cubic feet of 100 and a BTU value of 87%, the
46 tax rate is:
- 48 (a) From July 1, 2004 to June 30, 2005, 21.9¢ per
 100 standard cubic feet;

11018

2
4
6
8
10
12
14
16
18
20
22
24
26
28
30
32
34

(b) From July 1, 2005 to June 30, 2006, 22.5¢ per 100 standard cubic feet; and

(c) Beginning July 1, 2006, 23¢ per 100 standard cubic feet.

Sec. 3. 36 MRSA §3321, sub-§2, as enacted by PL 2001, c. 688, §8, is amended to read:

2. Inflation index defined. The inflation index ~~for 2003 is 1.118, representing annual inflation adjustments for the years 1999 to 2002, inclusive. Starting in 2004 and every year thereafter, the inflation index~~ is the Consumer Price Index as defined in section 5402, subsection 1 for the calendar year ending on the December 31st immediately preceding the calculation date, divided by the Consumer Price Index for the prior calendar year.

Emergency clause. In view of the emergency cited in the preamble, this Act takes effect when approved.'

SUMMARY

This amendment replaces the bill. The amendment partially maintains the buying power of the Highway Fund by adjusting the fuel tax rate on gasoline to reflect inflation and by adjusting the fuel tax rate on diesel fuel so that it is equal to the gasoline tax rate as of July 1, 2006.

FISCAL NOTE REQUIRED
(See attached)



122nd MAINE LEGISLATURE

LD 131

LR 0348(02)

An Act To Delay the Fiscal Sustainability of the Highway Fund

Fiscal Note for Bill as Amended by Committee Amendment "A"

Committee: Transportation

Fiscal Note Required: Yes

Fiscal Note

	2005-06	2006-07	Projections 2007-08	Projections 2008-09
Net Cost (Savings)				
General Fund	\$0	(\$2,136)	(\$2,199)	(\$2,265)
Highway Fund	\$1,230,048	\$1,074,775	\$1,167,780	\$1,268,284
Revenue				
General Fund	\$0	\$2,136	\$2,199	\$2,265
Highway Fund	(\$1,230,048)	(\$1,074,775)	(\$1,167,780)	(\$1,268,284)
Other Special Revenue Funds	0	\$19,266	\$19,835	\$20,420

Fiscal Detail and Notes

The changes to motor fuel tax rates are expected to reduce Highway Fund revenue by \$1,230,048 in fiscal year 2005-06 and \$1,074,775 in fiscal year 2006-07 and increase General Fund revenue by \$2,136 in fiscal year 2006-07.