

MAINE STATE LEGISLATURE

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LAWS
OF THE
STATE OF MAINE

AS PASSED BY THE

ONE HUNDRED AND TWENTY-THIRD LEGISLATURE

SECOND REGULAR SESSION
January 2, 2008 to March 31, 2008

FIRST SPECIAL SESSION
April 1, 2008 to April 18, 2008

THE GENERAL EFFECTIVE DATE FOR
SECOND REGULAR SESSION
NON-EMERGENCY LAWS IS
JUNE 30, 2008

THE GENERAL EFFECTIVE DATE FOR
FIRST SPECIAL SESSION
NON-EMERGENCY LAWS IS
JULY 18, 2008

PUBLISHED BY THE REVISOR OF STATUTES
IN ACCORDANCE WITH MAINE REVISED STATUTES ANNOTATED,
TITLE 3, SECTION 163-A, SUBSECTION 4.

Penmor Lithographers
Lewiston, Maine
2008

| | | |
|---------------------|-----|---------|
| OTHER SPECIAL | \$0 | \$4,270 |
| REVENUE FUNDS TOTAL | | |

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

Effective April 18, 2008.

**CHAPTER 650
H.P. 409 - L.D. 531**

**An Act To Improve the
Method of Taxing Natural Gas
for Highway Use**

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

Sec. 1. 36 MRSA §3203, sub-§1, as amended by PL 2001, c. 688, §5, is further amended to read:

1. Generally. Except as provided in section 3204-A, before July 1, 2008 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 for each gallon of distillate at the rate of 23¢ per gallon and for each gallon of low-energy fuel based on the British Thermal Unit, referred to in this subsection as "BTU," energy content for each fuel as compared to gasoline. In the case of distillates, the tax rate provided by this section is subject to annual inflation adjustment pursuant to section 3321. Applicable BTU values are as follows.

| Fuel type | BTU content per gallon | Formula (BTU value fuel/BTU value gasoline) x tax rate | Tax rate |
|------------------------|---|--|--|
| Gasoline | 115,000 | 100% x 22¢ | 22¢ per gallon as authorized in section 2903 |
| Methanol (M85) | 65,530 | 57% x 22¢ | 12.5¢ per gallon |
| Ethanol (E85) | 81,850 | 71% x 22¢ | 15.6¢ per gallon |
| Propane | 84,500 | 73% x 22¢ | 16¢ per gallon |
| Compressed Natural Gas | 100,000 (BTU per 100 standard cubic feet) | 87% x 22¢ | 19.1¢ per 100 standard cubic feet |

Sec. 2. 36 MRSA §3203, sub-§1-B is enacted to read:

1-B. Generally; rates beginning July 1, 2008. Except as provided in section 3204-A, beginning July 1, 2008 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 for each gallon of distillate at the rates provided in this subsection. Tax rates for each gallon of low-energy fuel are based on the British Thermal Unit, referred to in this subsection as "BTU," energy content for each fuel as based on gasoline gallon equivalents or the comparable measure for distillates. The gasoline gallon equivalent is the amount of alternative fuel that equals the BTU energy content of one gallon of gasoline. In the case of distillates, the tax rate provided by this section is subject to annual inflation adjustment pursuant to section 3321. For purposes of this subsection, "base rate" means the rate in effect for gasoline or diesel on July 1st of each year as indexed under section 3321.

A. This paragraph establishes the applicable BTU values and tax rates based on gasoline gallon equivalents.

| Fuel type based on gasoline | BTU content per gallon or gasoline gallon equivalent | Tax rate formula (BTU value fuel/BTU value gasoline) x base rate gasoline |
|---------------------------------|--|---|
| Gasoline | 115,000 | 100% x base rate |
| Propane | 84,500 | 73% x base rate |
| Compressed Natural Gas (CNG) | 115,000 | 100% x base rate |
| Methanol | 56,800 | 49% x base rate |
| Ethanol | 76,000 | 66% x base rate |
| Hydrogen | 115,000 | 100% x base rate |
| Hydrogen Compressed Natural Gas | 115,000 | 100% x base rate |

B. This paragraph establishes the applicable BTU values and tax rates based on distillate gallon equivalents.

| Fuel type based on diesel | BTU content per gallon or gallon equivalent | Tax rate formula (BTU value fuel/BTU value diesel) x base rate diesel |
|---------------------------|---|---|
| Diesel | 128,400 | 100% x base rate |

| | | |
|-----------------------------|---------|-----------------|
| Liquified Natural Gas (LNG) | 73,500 | 57% x base rate |
| Biodiesel | 118,300 | 92% x base rate |

CHAPTER 651
S.P. 776 - L.D. 1982

An Act To Amend Certain Provisions of the Fish and Wildlife Laws

C. The conversion factors established in this paragraph must be used in converting to gasoline gallon equivalents.

(1) For compressed natural gas, BTUs per 100 standard cubic feet is 93,000, and there are 123.66 standard cubic feet per gasoline gallon equivalent.

(2) For hydrogen, BTUs per 100 standard cubic feet is 27,000, and there are 425.93 standard cubic feet per gasoline gallon equivalent.

(3) For hydrogen compressed natural gas, BTUs per 100 standard cubic feet is 79,800, and there are 144.11 standard cubic feet per gasoline gallon equivalent.

Sec. 3. 36 MRSA §3321, sub-§1, as enacted by PL 2001, c. 688, §8, is amended to read:

1. Generally. Beginning in 2003, and each calendar year thereafter, the excise tax imposed upon internal combustion engine fuel pursuant to section 2903, subsection 1 and the excise tax imposed upon distillates pursuant to section 3203, ~~subsection subsections 1 and 1-B~~ are subject to an annual rate of adjustment pursuant to this section. On or about February 15th of each year, the State Tax Assessor shall calculate the adjusted rates by multiplying the rates in effect on the calculation date by an inflation index as computed in subsection 2. The adjusted rates must then be rounded to the nearest 1/10 of a cent and become effective on the first day of July immediately following the calculation. The assessor shall publish the annually adjusted fuel tax rates and shall provide all necessary forms and reports to suppliers, distributors and retail dealers.

Sec. 4. Transition. For taxes imposed during the fiscal year beginning July 1, 2008, the State Tax Assessor is authorized to calculate tax rates under the Maine Revised Statutes, Title 36, section 3203, subsection 1-B in a manner that most closely reflects the relative British Thermal Unit values between the fuel types listed in that subsection based on the tax rates for gasoline and diesel on July 1, 2008. This section applies retroactively.

See title page for effective date.

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

Whereas, the Department of Inland Fisheries and Wildlife is the primary agency charged with the mission of managing and safeguarding the State's fish and wildlife resources; and

Whereas, the department cannot effectively carry out its mission without clear guidance from the Legislature as manifested in the Maine Revised Statutes; and

Whereas, this legislation makes important changes to the laws that govern the department's activities and need to take effect immediately to ensure the department has proper legislative guidance in continuing to carry out its mission; 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,

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

Sec. 1. 5 MRSA §12004-I, sub-§70, as amended by PL 2003, c. 414, Pt. B, §10 and affected by c. 614, §9, is repealed.

Sec. 2. 12 MRSA §10001, sub-§53, as enacted by PL 2003, c. 414, Pt. A, §2 and affected by c. 614, §9, is amended to read:

53. Resident. ~~"Resident"~~ For the purposes of this subsection, "resident" means a citizen of the United States or an alien who has been domiciled in the State for one year who has been domiciled in this State continuously during the 3 months next prior to the date on which the person applies for any license or permit under this Part, or an alien who has been so domiciled for one year. A person may not be considered a resident if the person has not:

- A. If registered to vote, is registered in this State;
- B. If licensed to drive a motor vehicle, has made application for or possesses a motor vehicle operator's license issued by the State;