

MAINE STATE LEGISLATURE

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ONE HUNDRED AND FIRST LEGISLATURE

Legislative Document

No. 1227

H. P. 840

House of Representatives, February 7, 1963

Referred to Committee on Taxation. Sent up for concurrence and ordered printed.

HARVEY R. PEASE, Clerk

Presented by Mr. Hardy of Hope.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SIXTY-THREE

**AN ACT Providing for Compact on Taxation of Motor Fuels Consumed by
Interstate Buses.**

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

R. S., c. 16-A, additional. The Revised Statutes are amended by adding a new chapter 16-A, to read as follows:

Chapter 16-A.

Compact on Taxation of Motor Fuels Consumed by Interstate Buses.

Sec. 1. Compact. The Compact on Taxation of Motor Fuels Consumed by Interstate Buses is hereby enacted into law and entered into with all jurisdictions legally joining therein in the form substantially as follows:

**COMPACT ON TAXATION OF MOTOR FUELS CONSUMED BY
INTERSTATE BUSES**

Article I. Purposes. The purposes of this agreement are to:

I. Avoid multiple taxation. Avoid multiple taxation of motor fuels consumed by interstate buses and to assure each state of its fair share of motor fuel taxes;

II. Administration. Establish and facilitate the administration of a criterion of motor fuel taxation for interstate buses which is reasonably related to the use of highway and related facilities and services in each of the party states;

III. Encourage intrastate service. Encourage the availability of a maximum number of buses for intrastate service by removing motor fuel taxation as a deterrent in the routing of interstate buses.

Article II. Definitions.

I. Administrator. Administrator shall mean the official or agency of a state administering the motor fuel taxes involved.

II. Bus. Bus shall mean any motor vehicle of a bus type engaged in the interstate transportation of passengers and subject to the jurisdiction of the Interstate Commerce Commission, or any agency successor thereto, or one or more State regulatory agencies concerned with the regulation of passenger transport.

III. Contracting state. Contracting state shall mean a state which is a party to this agreement.

IV. Gallon. Gallon shall mean the liquid measure containing 231 cubic inches.

V. Person. Person shall include any individual, firm, co-partnership, joint venture, association, corporation, estate, trust, business trust, receiver, syndicate or any other group or combination acting as a unit.

VI. State. State shall include the States of the United States, the District of Columbia, the territories of the United States, the Provinces of Canada, and the States, Territories and Federal District of Mexico.

Article III. Governing principle. For purposes of this compact, the primary principle for the imposition of motor fuel taxes shall be consumption of such fuel within the State. Motor fuel consumed by buses shall be taxed on the existing basis, as it may be from time to time, and under the procedures for collection of such taxes by each party state, except that to the extent that this compact makes provision therefore, or for any matter connected therewith, such provision shall govern.

Article IV. How fuel consumed to be ascertained. The amount of fuel used in the operation of any bus within this State shall be conclusively presumed to be the number of miles operated by such bus within the State divided by the average mileage per gallon obtained by the bus during the tax period in all operations, whether within or without the party State. Any owner or operator of 2 or more buses shall calculate average mileage within the meaning of this article by computing single average figures covering all buses owned or operated by him.

Article V. Imposition of tax. Every owner or operator of buses shall pay to the party state taxes equivalent to the amount of tax per gallon multiplied by the number of gallons used in its operations in the party state.

Article VI. Reports. On or before the last business day of the month following the month being reported upon, each bus owner or operator subject to the payment of fuel taxes pursuant to this compact shall make such reports of its operations as the state administrator of motor fuel taxes may require and shall furnish the state administrator in each other party state wherein his buses operate a copy of such report.

Article VII. Credit for payment of fuel taxes. Each bus owner or operator shall be entitled to a credit equivalent to the amount of tax per gallon on all motor fuel purchased by such operator within the party state for use in operations either within or without the party state, and upon which the motor fuel tax imposed by the laws of such party state has been paid.

Article VIII. Additional tax or refund. If the bus owner or operator's monthly report shows a debit balance after taking credit pursuant to article VII, a remittance in such net amount due shall be made with the report. If the report shows a credit balance, after taking credit as herein provided, a refund in such net amount as has been overpaid shall be made by the party state to such owner or operator.

Article IX. Entry into force and withdrawal. This compact shall enter into force when enacted into law by any 2 states. Thereafter it shall enter into force and become binding upon any state subsequently joining when such state has enacted the compact into law. Withdrawal from the compact shall be by act of the legislature of a party state, but shall not take effect until one year after the governor of the withdrawing state has notified the governor of each other party state, in writing, of the withdrawal.

Article X. Construction and severability. This compact shall be liberally construed so as to effectuate the purposes thereof. The provisions of this compact shall be severable and if any phase, clause, sentence or provision of this compact is declared to be contrary to the Constitution of any state or of the United States or the applicability thereof to any government, agency, person or circumstance is held invalid, the validity of the remainder of this compact and the applicability thereof to any government, agency, person or circumstance shall not be affected thereby. If this compact shall be held contrary to the Constitution of any state participating herein, the compact shall remain in full force and effect as to the remaining party states and in full force and effect as to the state affected as to all severable matters.

Sec. 2. Administrator defined. As used in the compact, with reference to this State, the term "administrator" shall mean the State Tax Assessor.

Sec. 3. Limitation. The provisions of chapter 16 shall, to the extent that they are inconsistent with the compact, be inapplicable to the taxation of buses as that term is defined in the compact.'