

# MAINE STATE LEGISLATURE

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ONE HUNDRED AND SEVENTH LEGISLATURE

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Legislative Document

No. 1074

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H. P. 865

House of Representatives, March 14, 1975

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

EDWIN H. PERT, Clerk

Presented by Mr. Finemore of Bridgewater.

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STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
SEVENTY-FIVE

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**AN ACT** to Repeal the Sales Tax on Fuel Oil and to Enact in its Place an Excise Tax on Fuel Consumed in Industrial and Manufacturing Establishments.

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

Sec. 1. 36 MRSA § 1760, sub-§ 9, is repealed and the following enacted in place thereof:

9. Coal, oil and wood. Coal, oil, wood and all other fuels, except gas and electricity, where bought for cooking, heating or consumed in industrial and manufacturing processes, including the generation of electric power;

Sec. 2. 36 MRSA c. 719 is enacted to read:

CHAPTER 719

FUEL OIL TAX

§ 4851. Excise tax on fuel oil consumed in industrial and manufacturing processes

An excise tax is imposed on all users of fuel oil consumed in industrial and manufacturing establishments, including those users of fuel oil consumed in industrial and manufacturing processes and the generation of electrical power, at the rate of 25¢ per 42-gallon barrel. Said excise tax shall be collected in the same manner as the Sales and Use Tax.

FISCAL NOTE

It is anticipated that this bill would result in a loss of revenue to the State of Maine during the next fiscal year of \$4,000,000.

## STATEMENT OF FACT

This bill would exempt from the Sales and Use Tax fuel oil consumed in industrial and manufacturing establishments, including those used in industrial and manufacturing processes and the generation of electrical power, and imposes an excise tax of 25¢ per barrel upon it, which is at the rate of tax as estimated for the current fiscal year. The purpose of the bill is to provide a stable basis for taxation and estimating based upon volume so that the costs and revenues will not be subject to unreasonable fluctuations due to the imposition of artificial price increases and imposition of tariffs.