

# MAINE STATE LEGISLATURE

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ONE HUNDRED AND EIGHTH LEGISLATURE

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**Legislative Document**

**No. 936**

H. P. 784

House of Representatives, March 10, 1977

On Motion of Mr. Carey of Waterville referred to the Committee on Taxation. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Mr. Boudreau of Waterville.

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STATE OF MAINE

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IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
SEVENTY-SEVEN

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**AN ACT to Change the Sales Tax Basis on Fuel Oil from Price to Volume.**

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

36 MRSA § 1760, sub-§ 9 is amended to read:

9. **Coal, oil and wood.** Coal, oil, wood and all other fuels, except gas and electricity, when bought for cooking and heating in homes, hotels and apartment houses, and other buildings designed both for human habitation and sleeping and fuel oil when bought for consumption in industrial and manufacturing processes, including the generation of electric power, to the extent that the sale price exceeds \$15 per 42-gallon barrel;

STATEMENT OF FACT

The State of Maine has enjoyed windfall profits for the past 4 years as a result of dramatic increases in the price of fuel oil used for industrial purposes. This tax windfall has, and continues to be, a burden on the ability of Maine industries to compete in the marketplace with firms in other states which do not pay these inflated tax rates. This bill is not designed to reduce income to the State, but to provide a ceiling that will stabilize the sales tax burden on Maine business and industry in the future.