

# MAINE STATE LEGISLATURE

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STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
108TH LEGISLATURE  
FIRST REGULAR SESSION

(Filing No. H-655)

COMMITTEE AMENDMENT "A" to H.P. 908, L.D. 1107, Bill,  
"AN ACT to Provide Tax Incentives for Energy Efficient Automobiles."

Amend the Bill by striking out everything after the  
enacting clause and inserting in its place the following:

'Sec. 1. 36 MRSA c. 213-A is enacted to read:

CHAPTER 213-A

ENERGY CONSERVATION SALES SURTAX AND REBATE

§ 1821. Energy Conservation Sales Surtax

There shall be an energy conservation sales surtax imposed on all new passenger automobiles with a seating capacity of 8 persons or less, purchased by residents of this state starting with the 1979 model year, at a rate of \$300 for all automobiles averaging 14 miles per gallon or less and \$150 for all automobiles averaging 15 or 16 miles per gallon. Such tax to be due at the time of sale and collected in the same manner as the sales tax.

§ 1822. Energy conservation rebate

There shall be an energy conservation rebate applied to all new passenger automobiles with a seating capacity of 8 passengers or less purchased by residents of this state starting with the 1979 model year, at a rate of \$100 for all automobiles averaging 25, 26 or 27 miles per gallon; \$200 for all automobiles averaging 28, 29 or 30 miles per gallon; and \$250 for all automobiles averaging 31 miles per gallon or better. Payment of all rebates shall be made by the State Tax Assessor upon application by the buyer of a new automobile and presentation of such proof of purchase as may be required by the State Tax Assessor.

§ 1823. Standard for miles per gallon

Miles per gallon for each model type shall be the final combined city-highway economy figure established for each model type by the <sup>U.S.</sup> Environmental Protection Agency in compliance with Section 503 of

PL 94 - 163, the 1976 Energy Policy and Conservation Act.

§ 1824. Administration

The State Tax Assessor shall have the authority to promulgate all rules and regulations necessary for the purpose of administering this chapter including the collection, assessment and administration of the energy conservation sales surtax and the payment, assessment and administration of the energy conservation rebate.

§ 1825. Energy Conservation Fund

The Energy Conservation Fund is established to be used as a nonlapsing revolving fund for carrying out the purposes of this chapter. All moneys received under this chapter shall be credited to this fund, and to this fund shall be charged all expenses related to this chapter, including administrative costs and payment of all rebates.

Moneys in the fund which are not needed to meet current obligations shall be deposited with the Treasurer of the State to the credit of the fund and may be invested in such a manner as is provided for by statute. Interest received on such investments shall be credited to the Energy Conservation Fund.

§ 1826. Effective date

The provisions of this <sup>chapter</sup> shall be effective until the start of the 1981 model year, except that persons purchasing 1980 model automobiles shall be responsible for payment of the energy conservation rebate until December 31, 1980.

Sec. 2. Study of 1978 model year cars. The Office of Energy Resources shall study, in conjunction with the Bureau of Taxation, the provisions of this Act as applied to the 1978 model year cars and report its findings to the 2nd regular session of the 108th Legislature along with any recommended changes to this Act, including, but not limited to, the schedule of taxes and rebates.

Statement of Fact

This amendment creates an energy conservation sales surtax and an energy conservation rebate which would be applied to all new cars sold in Maine starting with the 1979 model year. The tax would be \$300 on all cars obtaining 14 miles per gallon or less and \$150 on all cars obtaining 15 or 16 miles per gallon. The rebate would be \$100 on all cars obtaining 25, 26 or 27 miles per gallon, \$200 on all cars obtaining 28, 29 or 30 miles per gallon and \$250 on all cars obtaining 31 miles per gallon or better.

It is the intent of this amendment that the taxes generated would pay for all rebates and all administrative costs.

This energy conservation tax and rebate would be administered by the State Tax Assessor.

Under the schedule provided by this amendment, approximately 22% of all cars sold in Maine would be subject to the energy conservation tax which would generate \$2.3 million, and approximately 23% of all cars sold would be eligible for an energy conservation rebate resulting in payments of approximately \$2 million.

Implementation of this / <sup>amendment</sup> would require that 6 additional positions be created in the Bureau of Taxation at an annual estimated cost of \$55,000.

Reported by the Majority of the Committee on Energy.

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

6/16/77

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