

MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND NINTH LEGISLATURE

Legislative Document

No. 1516

H. P. 1262

House of Representatives, March 29, 1979

On Motion of Mrs. Post of Owl's Head, referred to the Committee on Taxation.
Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Mr. Smith of Mars Hill.

Cosponsors: Mr. Brenerman of Portland, Mr. Leonard of Woolwich, and
Mr. McKean of Limestone.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-NINE

AN ACT Concerning Fuel Tax Collection Procedures.

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

Sec. 1. 36 MRSA § 3035, as last amended by PL 1977, c. 679, §§ 23-24, is repealed and the following enacted in its place:

§ 3035. Use fuel dealer license; reports; tax

A use fuel tax is levied and imposed at the rate of 9c per gallon upon internal combustion engine fuel sold or used within this State. The distributor, as defined in section 2902, first receiving the fuel in the State shall be liable to the State for payment of the use fuel tax. Every person operating as a distributor under this chapter shall be licensed as a use fuel dealer by the State Tax Assessor.

Every use fuel dealer, on or before the last day of each month, shall render a report to the State Tax Assessor stating the number of gallons of fuel that he received, sold and used in the State during the preceding calendar month. In addition, the report shall state the number of gallons of fuel delivered to retail and nonretail outlets for purposes of motor vehicle travel on public roads including bulk containers, storage tanks and other containers used as fuel depositories by purchasers. The report shall be provided on forms designed and furnished by the State Tax Assessor.

The report shall contain all further information pertinent thereto as the State Tax Assessor shall prescribe. The State Tax Assessor may make reasonable rules regarding the administration and enforcement of this section as he deems necessary or expedient and copies of these rules shall be sent to licensed use fuel dealers. The State Tax Assessor or his agent shall have access during reasonable business hours to the books, invoices and vouchers of the use fuel dealer which may show the fuels handled by the dealer.

At the time of the filing of the report each fuel dealer shall pay to the State Tax Assessor a tax of 9c upon each gallon reported as sold or used and the State Tax Assessor shall pay over all receipts from the tax to the Treasurer of State daily.

Each dealer, within 15 days after demand made on him by the State Tax Assessor, shall pay a tax of 9c per gallon upon each gallon of such fuels upon which the tax has not been paid which, upon an audit, the State Tax Assessor may find to have been received into the State during the preceding 2 years by the dealer and not properly accounted for in a dealer's report or in accordance with law.

Each dealer paying, or becoming liable to pay, the tax imposed by this section shall be entitled to charge and collect 9c per gallon only as a part of the selling price of the fuels subject to the tax.

Sec. 2. 36 MRS.A § 3035-A, is enacted to read:

§ 3035-A. Refund of taxes for purchase of fuel for nohighway use

Purchasers of fuel, who use same for purposes other than highway use, may apply for a refund of the tax paid at the time of purchase of the fuel, by submitting an application for a refund to the State Tax Assessor.

In order to qualify for a refund, the purchaser shall specify on a form to be provided by the State Tax Assessor and completed by the purchaser at the time of purchase, the purpose or use for which the fuel is being purchased, the amount and price of any given purchase, the time, location and name of the "use fuel dealer" from whom the purchase is consummated.

STATEMENT OF FACT

The intent of this bill is to obtain use fuel tax revenues derived from sales of diesel fuel for motor vehicular use that are not collected at the present time because of a very serious weakness in current law. Current law places the burden of use fuel collection primarily upon retailers. Since fuel taxed under the use fuel law has several different uses, diesel fuel often sold for motor vehicle use is declared to be used for other nontax purposes. The result is the loss of considerable revenues to the State.

This bill places liability for payment of use fuel taxes upon motor fuel distributors in the same way as the gasoline tax. In addition, the State Tax Assessor, who now licenses use fuel dealers, will be able to deal directly with a smaller number of distributors as compared to nearly 2,000 retail outlets.