

MAINE STATE LEGISLATURE

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STATE OF MAINE
HOUSE OF REPRESENTATIVES (Filing No. H-813)
109TH LEGISLATURE
SECOND REGULAR SESSION

COMMITTEE AMENDMENT "B" to H.P. 1723, L.D. 1827, Bill,
"AN ACT to Amend Allocations from the Highway Fund for the
Fiscal Years from July 1, 1979 to June 30, 1980 and from July 1,
1980 to June 30, 1981, Decrease the State Aid Bonus from 40% to
20%, and Revise Drivers' License and Examination Fees."

Amend the Bill by striking out all of the title and
inserting in its place the following: 'AN ACT to Amend Allocations
from the Highway Fund for the Fiscal Years from July 1, 1979, to
June 30, 1980, and from July 1, 1980, to June 30, 1981, and to
Increase the Gasoline Tax.'

Further amend the Bill by striking out everything after the
title and inserting in its place the following:

'Emergency preamble. Whereas, Acts of the Legislature do
not become effective until 90 days after adjournment unless
enacted as emergencies; and

Whereas, the 90-day period may not terminate until after
the beginning of the next fiscal year; and

Whereas, revenues from motor fuel taxes are running
substantially behind budget estimates; and

Whereas, sufficient funds are not going to be available
for the allocations authorized for the current fiscal year, as
well as the allocations authorized for the fiscal year beginning
July 1, 1980; and

Whereas, in the judgment of the Legislature, these facts
create an emergency within the meaning of the Constitution of
Maine and require the following legislation as immediately
necessary for the preservation of the public peace, health and

safety; now, therefore,

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

Sec. 1. 36 MRSA §2903, first sentence, as last amended by PL 1977, c. 572, §2, is further amended to read:

An excise tax is levied and imposed at the rate of ~~9¢~~ 11¢ per gallon upon internal combustion engine fuel sold or used within this State, including such sales when made to the State or any political subdivision thereof, for any purpose whatsoever, excepting such internal combustion engine fuel sold or used in such form and under such circumstances as shall preclude the collection of this tax by reason of the laws of the United States, or sold wholly for exportation from the State, or brought into the State in the ordinary standardized equipment fuel tank attached to and forming a part of a motor vehicle and used in the operation of such vehicle within the State, except that the rate shall be ~~1¢~~ per gallon upon internal combustion engine fuel as defined in section 2902 bought or used by any person, association of persons, firm or corporation for the purpose of propelling jet or turbojet engine aircraft, not for international flights, including such sales when made to the State or any political subdivision thereof, and except that the rate shall be ~~2¢~~ per gallon upon internal combustion engine fuel as defined in section 2902 bought or used by any person, association of persons, firm or corporation for the purpose of propelling jet or turbojet engine aircraft for international flights excepting such fuel sold or used under such circumstances as shall preclude the collection of this tax by reason of the laws of the United States, or sold wholly for exportation from the State, or brought into the State in the fuel tanks of an aircraft.

Sec. 2. 36 MRSA §2905, as last amended by PL 1971, c. 529, §2, is further amended to read:

§2905. Distributor or importer collects 11¢ additional

Each distributor or importer paying or becoming liable to pay the tax imposed by this chapter shall be entitled to charge and collect 9¢ 11¢ per gallon only as a part of the selling price of the internal combustion engine fuels subject to the tax.

Sec. 3. 36 MRSA §2906, 4th sentence, as repealed and replaced by PL 1973, c. 7, §1, is amended to read:

At the time of the filing of ~~said~~^{the} report, each distributor and importer shall pay to the State Tax Assessor a tax of 9¢ 11¢ upon each gallon so reported as sold, distributed or used and the State Tax Assessor shall pay over all receipts from such tax to the Treasurer of State daily.

Sec. 4. 36 MRSA §2908, as last amended by PL 1979, c. 549, is further amended to read:

§2908. Refund of 10/11 of tax in certain cases; time limit

Any person, association of persons, firm or ~~corporation~~ corporation who shall buy and use any internal combustion engine fuel as defined in this chapter for the purpose of operating or propelling commercial motor boats, tractors used for agricultural purposes not operating on public ways, or vehicles owned or operated by railroad companies while operating on rails or tracks, or in stationary engines, or in the mechanical or industrial arts, or for any other commercial use except in non-railroad motor vehicles operated or intended to be operated upon

any of the public highways of this State, or turnpikes operated and maintained by the Maine Turnpike Authority, or except as provided in section 2910, in the operation of aircraft, and who shall have paid any tax on internal combustion engine fuel levied or directed to be paid as provided by this chapter, either directly by the collection of the tax by the vendor from the consumer, or indirectly by adding the amount of that tax to the price of that fuel and paid by that consumer, shall be reimbursed and repaid to the extent of ~~8/9~~ 10/11 of the amount of the tax paid by him upon presenting to the State Tax Assessor a sworn statement accompanied by the original invoices or other evidence as the State Tax Assessor may require showing those purchases, which statement shall show the total amount of the fuel so purchased and used by that consumer other than in nonrailroad motor vehicles operated or intended to be operated upon any of the public highways of the State and in the operation of aircraft. Applications for refunds shall be filed with the State Tax Assessor within 15 months from the date of purchase.

Sec. 5. 36 MRSA §2910, as last amended by PL 1971, c. 529, §6, is further amended to read:
§2910. Refund of 7/11 of tax to users of aircraft

Any person, association of persons, firm or corporation who shall buy and use any internal combustion engine fuel as defined in section 2902, for the purpose of propelling piston engine aircraft and who shall have paid any tax on internal combustion engine fuel levied or directed to be paid as provided

by this chapter, either directly by the collection of such tax by the vendor from such consumer, or indirectly by adding the amount of such tax to the price of such fuel and paid by such consumer, shall be reimbursed and repaid to the extent of ~~5/9~~ 7/11 of the amount of ~~such~~ the tax paid by him upon presenting to the State Tax Assessor a statement accompanied by the original invoices showing such purchases. Applications for refunds must be filed with the State Tax Assessor within 12 months from the date of purchase.

Sec. 6. 36 MRSA §3025, first sentence, as last amended by PL 1971, c. 529, §7, is further amended to read:

An excise tax is imposed on all users of fuel upon the use of such fuel by any person within this State, only when such fuel is used in an internal combustion engine for the generation of power to propel motor vehicles of any kind or character on the public highways or turnpikes operated and maintained by the Maine Turnpike Authority, at the rate of ~~9¢~~ 11¢ per gallon, to be computed in the manner set forth in this chapter.

Sec. 7. 36 MRSA §3035, 3rd ¶, as last amended by PL 1971, c. 529, §8, is further amended to read:

At the time of the filing of ~~said~~ the report, each use fuel dealer shall pay to the State Tax Assessor a tax of ~~9¢~~ 11¢ upon each gallon so reported as sold or used, and the State Tax Assessor shall pay over all receipts from such tax to the Treasurer of State daily.

Sec. 8. 36 MRSA §3035, last ¶, as last amended by PL 1971, c. 529, §8, is further amended to read:

Each dealer paying or becoming liable to pay the tax imposed by this section shall be entitled to charge and collect ~~9¢~~ 11¢ per gallon only as a part of the selling price of the fuels subject to the tax.

Sec. 9. PL 1979, c. 439, ~~PART~~ A, §1 under the caption "07 TRANSPORTATION" is amended to read:

0341 Transportation - Planning & Services.....2-715		
Unallocated	730,809	768,000
	<u>630,809</u>	<u>668,000</u>
0339 Highway - Administration.....2-701		
Unallocated	3,694,645	3,827,050
	<u>3,594,645</u>	<u>3,627,050</u>
0354 Highway - Winter Maintenance...2-741		
Unallocated	17,111,208	17,908,874
	<u>16,911,208</u>	
0358 Highway - Bond Interest.....2-749		
Unallocated	2,688,667	3,276,497
	<u>2,469,267</u>	<u>3,065,897</u>
0359 Highway - Bond Retirement.....2-751		
Unallocated	5,180,000	1,860,000
		<u>1,290,000</u>
 Total Allocations	 \$95,008,943	 \$95,786,207
	<u>\$94,389,543</u>	<u>\$92,323,814</u>

Sec. 10. PL 1979, c. 439, ~~PART~~ A, §1, last ¶, is amended to read:

Amounting to ~~\$95,008,943~~ \$94,389,543 for the fiscal year ending June 30, 1980, and ~~\$95,786,207~~ \$92,323,814 for the fiscal year ending June 30, 1981.

Sec. 11. PL 1979, c. 439, §3-A is enacted to read:

Sec. 3-A. Employment and replacement of personnel. The Department of Transportation may not employ more than 2989 persons during the period from April 1st to November 30th of any year and not more than 2580 persons during the period from December 1st to March 31st of any year.

Emergency clause. In view of the emergency cited in the preamble, this Act shall take effect when approved.

Statement of Fact

This amendment proposes to increase the tax from 9¢ to 11¢ upon internal combustion engine fuels to produce additional revenues of approximately \$15,000,000 to the General Highway Fund by June 30, 1981. The increased revenues are necessary to meet the projected revenue shortfall of \$16,700,000 by June 30, 1981.

In addition to the \$15,000,000 fuel tax revenues, the amendment proposes to reduce allocations in the Department of Transportation budget by \$1,700,000. The reduced allocations are described below:

<u>Program</u>	<u>Amount of Reduction 1979-80</u>	<u>Amount of Reduction 1980-81</u>
1. Transportation: Planning and Services	\$100,000	\$100,000
2. Highway Administration	100,000	200,000
3. Highway Winter Maintenance	200,000	
4. Highway Bond Interest	219,400	210,600
5. Highway Bond Retirement		<u>570,000</u>
	\$619,400	\$1,080,600

This amendment restores allocations to the State Aid Construction Program, the summer maintenance program, the Town Road Improvement Fund and the ~~State Aid~~ bonus. The ~~State Aid~~ bonus is retained at 40%.

This amendment also eliminates the number of people that may be employed by the Department of Transportation.