

# MAINE STATE LEGISLATURE

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STATE OF MAINE  
HOUSE OF REPRESENTATIVES (Filing No. H-982)  
109TH LEGISLATURE  
SECOND REGULAR SESSION

HOUSE AMENDMENT "A" to H.P. 2054, L.D. 2040, Bill, "AN ACT to Reduce the Per Gallon Tax on Motor Fuels from 9¢ to 7¢ and to Assess a 5% Sales Tax on the Wholesale Price Subject to Public Approval at Referendum."

Amend the Bill by striking out all of the title and inserting in its place the following:

'AN ACT to Increase the Per Gallon Tax on Motor Fuels from 9¢ to 11¢ Subject to Public Approval at Referendum.'

Further amend the Bill by striking out all of sections 10 to 24 and inserting in their place the following:

'Sec. 10. 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. 11. 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. 12. 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 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. 13. 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 nonrailroad 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 air-

craft. Application for refunds shall be filed with the State Tax Assessor within 15 months from the date of purchase.

Sec. 14. 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 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. 15. 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. 16. 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 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. 17. 36 MRSA §3035, 5th ¶, 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. 18.

Statutory referendum procedure; submission at general election; form of question; effective date. This Act shall be submitted to the legal voters of the State of Maine at the next general election in the month of November following passage of this Act. The city aldermen, town selectmen and plantation assessors of this State shall notify the inhabitants of their respective cities, towns and plantations to meet, in the manner prescribed by law for holding a statewide election, to vote on the acceptance or rejection of this Act by voting on the following question:

"Shall the per gallon tax on motor fuels be increased from ~~9¢~~ to 11¢?"

The legal voters of each city, town and plantation shall vote by ballot on this question, and shall designate their choice by a cross or check mark placed within a corresponding square below the words "Yes" or "No." The ballots shall be received, sorted, counted and declared in open ward, town and plantation meetings and returns made to the Secretary of State in the same manner as votes for members of the Legislature. The Governor shall review the returns, and, if it appears that a majority of the legal votes are in favor of the Act, the Governor shall proclaim that fact without delay, and the Act shall become effective July 1, 1981.

The Secretary of State shall prepare and furnish to each city, town and plantation all ballots, returns and copies of this Act necessary to carry out the purposes of this referendum.

#### Fiscal Note

Assuming that the increased excise taxes are approved at public referendum, this bill as amended by this amendment would generate an additional \$11,600,000 in the fiscal year 1981-82.

#### Statement of Fact

The purpose of this amendment is to provide for an increase in the excise taxes on motor fuels from 9¢ to 11¢ and remove the provisions relating to a sales tax in the wholesale price. The increase in motor fuel excise tax will still be subject to referendum.