

# MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND TENTH LEGISLATURE

Legislative Document

No. 447

H.P. 404

House of Representatives, January 26, 1981

Referred to the Committee on Taxation. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Representative MacBride of Presque Isle.

Cosponsors: Senator Perkins of Hancock, Representative L. Higgins of Scarborough and Senator Wood of York.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED AND EIGHTY-ONE

AN ACT to Provide for a Graduated Exemption from Sales Tax on Sale of Gasohol and to Encourage State Use of Gasohol.

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

Sec. 1. 23 MRSA § 4210 is enacted to read:

§ 4210. Use of Gasohol

Whenever feasible, the department shall use gasohol as motor fuel in vehicles owned or under the control of the department.

Sec. 2. 36 MRSA § 2902, sub-§ 1-C is enacted to read:

1-C. Gasohol. "Gasohol" means an internal combustion engine fuel containing no less than 10% methyl or ethyl alcohol.

Sec. 3. 36 MRSA § 2906-A is enacted to read:

§ 2906-A. Gasohol; rate of tax

1. Exception. Notwithstanding any other provision of this chapter, the rate of tax on gasohol is contained in subsection 3.

2. Compliance. A distributor or importer who receives, sells or uses gasohol

shall use the schedule contained in subsection 3 when complying with any requirements imposed by this chapter concerning the tax on internal combustion engine fuel.

3. Tax rate schedule. The rate of tax levied and imposed by this chapter upon gasohol is reduced:

- A. Until June 30, 1982, by 5¢ per gallon;
- B. Until June 30, 1983, by 4¢ per gallon;
- C. Until June 30, 1984, by 3¢ per gallon;
- D. Until June 30, 1985, by 2¢ per gallon; and
- E. Until June 30, 1986, by 1¢ per gallon.

#### STATEMENT OF FACT

This bill partially exempts gasohol from the gasoline tax; over a 5-year period, the normal tax would be reduced by 5¢ the first year down to 1¢ the last year; and then gasohol would be normally taxed.

The bill also directs the Department of Transportation to use gasohol in its vehicles, whenever feasible.