

# MAINE STATE LEGISLATURE

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STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
110TH LEGISLATURE  
FIRST REGULAR SESSION

L.D. 985  
(Filing No. H-545)

COMMITTEE AMENDMENT "A" to H.P. 829, L.D. 985, Bill,  
"AN ACT to Provide a 3¢ Increase in the Gas Tax."

Amend the Bill by striking out all of the title and inserting in its place the following: 'AN ACT to Adjust Gasoline Tax Assessments According to Fuel Efficiency of Vehicles.'

Further amend the Bill by inserting before the enacting clause 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 will not terminate until after the beginning of the next fiscal year; and

Whereas, as efficiency of passenger motor vehicles in Maine continues to rise resulting in greatly decreasing revenues available for highway funding; and

Whereas, the ability to maintain highways and administer and enforce motor vehicle safety and protection laws has been severely limited; 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,

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

Sec. 1. 36 MRSA §2902-A is enacted to read:

§2902-A. Periodic adjustment of tax rate

The State Tax Assessor shall, on or before October 1, 1981; April 1, 1983; and April 1st each year thereafter, certify the average miles per gallon achieved by passenger vehicles registered in the State in the previous year. The Secretary of State and the Director of the Office of Energy Resources shall assist the State Tax Assessor by providing all necessary data on motor vehicle registrations, data available from the United States Environmental Protection Agency pertaining to the fuel efficiencies of motor vehicles and any other appropriate and reliable source of information needed by the State Tax Assessor to make his certification. The certification is considered rulemaking and is subject to the  $\longleftrightarrow$  Maine Administrative Procedure Act, Title 5, chapter 375.

The State Tax Assessor, upon making his certification and prior to October 1, 1981, shall set a cents per gallon rate of tax to be effective on January 1, 1982, for the period January 1, 1982, to June 30, 1983, and prior to April 1, 1983, and April 1st of each subsequent year shall set a cents per gallon rate of tax to be effective for the following fiscal period July 1st to June 30th.

The cents per gallon rate shall be set by multiplying .661 times the average miles per gallon certified. The State Tax Assessor shall round off to the nearest cent.

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

An excise tax is levied and imposed at the per gallon rate ~~of 9¢ per gallon~~ established pursuant to section 2902-A 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. 3. 36 MRSA §2905, as last amended by PL 1971, c. 529, §2, is further amended to read:

§2905. Charges and collections of distributors or importers

Each distributor or importer paying or becoming liable to pay the tax imposed by this chapter shall be entitled to charge and collect 9¢ at the per gallon rate established pursuant to section 2902-A only as a part of the selling price of the internal combustion engine fuels subject to the tax.

Sec. 4. 36 MRSA §2906, 4th sentence 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¢~~ at the per gallon rate established pursuant to section 2902-A 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. 5. 36 MRSA §2908, as amended by PL 1979, c. 549, is further amended to read:

§2908. Refund of 9/10 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~~ 9/10 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. 6 . 36 MRSA §2910, as last amended by PL 1971, c. 529, §6, is further amended to read:

§2910. Refund of 6/10 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~~ 6/10 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. 7 . 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 per gallon rate of ~~9¢ per gallon~~ established pursuant to section 2902-A, and to be computed in the manner set forth in this chapter.

Sec. 8 . 36 MRSA §3035, last 2 ¶¶, as last amended by PL 1971, c. 529, §8, are 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¢~~ at the per gallon rate established pursuant to section 2902-A 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.

Each dealer paying or becoming liable to pay the tax imposed by this section shall be entitled to charge and collect 9¢ at the per gallon rate established pursuant to section 2902-A only as a part of the selling price of the fuels subject to the tax.

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

Fiscal Note

This / <sup>legislation</sup> will result in a 2¢ increase in the gasoline tax per gallon on January 1, 1982. This will provide revenue of \$13,200,000 for the biennium.'



Statement of Fact

This <sup>amendment</sup> / provides a method to adjust the gasoline tax paid per gallon according to the average fuel efficiency of passenger vehicles in Maine. The average fuel efficiency of passenger vehicles operating in 1975 was 13.61 miles per gallon with a gas tax of 9¢ per gallon. A vehicle with that efficiency paid .661¢ per mile in gasoline tax. This <sup>amendment</sup> / provides a method of adjusting the tax so that the rate per mile is constant. Without a method of adjustment, an increased average fuel efficiency of 17.04 miles per gallon results in a rate per mile of .528¢ per mile. As fuel efficiency averages of passenger motor vehicles continues to rise, revenues to support the Highway Fund drop proportionately even when miles traveled and ~~revenues~~ use of the highway remain the same.

Reported by the Minority of the Committee on Taxation.  
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6/3/81

(Filing No. H-545)