

# MAINE STATE LEGISLATURE

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1 (EMERGENCY)

2 FIRST REGULAR SESSION  
3

4 ONE HUNDRED AND TWELFTH LEGISLATURE  
5

6 Legislative Document

No. 405

7  
8 H.P. 316

House of Representatives, February 5, 1985

9 Submitted by the Department of Finance and Administration pursuant to  
10 Joint Rule 24.

Reference to the Committee on Taxation suggested and ordered printed.

11 EDWIN H. PERT, Clerk

Presented by Representative Higgins of Portland.

12 Cosponsored by Senator Twitchell of Oxford, Senator Danton of York  
and Representative Theriault of Fort Kent.

13 STATE OF MAINE  
14

15 IN THE YEAR OF OUR LORD  
16 NINETEEN HUNDRED AND EIGHTY-FIVE  
17

18 AN ACT to Make Permanent the Special Fuel  
19 Tax Act.  
20

21 Emergency preamble. Whereas, Acts of the Legis-  
22 lature do not become effective until 90 days after  
23 adjournment unless enacted as emergencies; and

24 Whereas, legislative action is necessary before  
25 July 1, 1985 in order to insure continued and effi-  
26 cient administration of the Special Fuel Tax Act  
27 which became effective October 1, 1983; and

28 Whereas, the Special Fuel Tax Act has increased  
29 the accountability of special fuels in this State,  
30 thereby controlling fuel tax evasion; and

31 Whereas, in the judgment of the Legislature,  
32 these facts create an emergency within the meaning of  
33 the Constitution of Maine and require the following

1 legislation as immediately necessary for the preser-  
2 vation of the public peace, health and safety; now,  
3 therefore,

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

6 Sec. 1. PL 1983, c. 94, Pt. D, §9 is repealed.

7 Sec. 2. Appropriation. The following funds are  
8 appropriated from the General Fund to carry out the  
9 purposes of this Act.

	<u>1985-86</u>	<u>1986-87</u>
10		
11	<u>FINANCE AND ADMINISTRA-</u>	
12	<u>TION, DEPARTMENT OF</u>	
13	Bureau of Taxation	
14	Positions	(3)
15	Personal Services	\$70,000
16	All Other	<u>5,000</u>
17	Total	\$75,000

18 Pursuant to the Revised Statutes, Title 36, sec-  
19 tion 3219, the Department of Transportation will re-  
20 imburse the General Fund for the cost incurred in the  
21 administration of the Revised Statutes, Title 36,  
22 chapter 459.

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

1

STATEMENT OF FACT

2           Public Law 1983, chapter 94, enacted the Special  
3 Fuel Tax Act effective October 1, 1983, with a July  
4 1, 1985, sunset unless extended by the First Regular  
5 Session of the 112th Legislature. This law estab-  
6 lished a tax on special fuels, including diesel and  
7 low energy fuels. The tax is imposed on special fuel  
8 sold in Maine at the distributor or supplier level  
9 similar to the gasoline tax, rather than at the user  
10 or retail level as provided under prior law.

11           The special fuel industry has cooperated in mak-  
12 ing the transition from a retail or user tax to a  
13 supplier tax as efficient as possible. The transi-  
14 tion has, when fiscal year 1984 is compared to fiscal  
15 year 1982, resulted in an increase in accountability  
16 of 30,500,000 gallons of special fuel. Taking into  
17 consideration the increase in tax rate, the increase  
18 in travel and the possible unclaimed refunds, tax re-  
19 cepts increased by over \$2,000,000 for the first 10  
20 months of 1984.

21           The 3 positions requested in this bill were origi-  
22 nally authorized by the original legislation and are  
23 required to continue management of this program. The  
24 All Other appropriation covers additional computer  
25 costs, postage and forms associated with the contin-  
26 ued operation of the Special Fuel Tax Act and the Re-  
27 gional Fuel Tax Compact.

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