

MAINE STATE LEGISLATURE

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118th MAINE LEGISLATURE

FIRST REGULAR SESSION-1997

Legislative Document

No. 797

S.P. 228

In Senate, February 4, 1997

An Act to Create Equity in the Taxation of Special Fuels.

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator AMERO of Cumberland.
Cosponsored by Senator KIEFFER of Aroostook.

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

2

3 Sec. 1. 36 MRSA §3203, as repealed and replaced by PL 1995,
4 c. 271, §5, is amended to read:

6

§3203. Tax levied; consignment sales; credited to Highway Fund

8

9 Except as provided in section 3204-A, an excise tax is
10 levied and imposed on all suppliers of special fuel sold and on
11 all users of special fuel used in this State for each gallon of
12 distillate at the rate of 20¢ per gallon and for each gallon of
13 low-energy fuel at the rate of 18¢ per gallon. When special fuel
14 is delivered by a supplier on a consignment basis to a consumer
15 or to a retail outlet, whether or not the retail outlet is wholly
16 owned by the supplier, it is considered to have been "sold"
17 within the meaning of this Act. All taxes and fines collected
18 under this chapter must be credited to the Highway Fund. An
19 allowance of not more than 1% from the amount of propane received
20 by the distributor, plus 1% on all transfers in vessels, tank
21 care or full tank truck loads by a distributor in the regular
22 course of business from one of the distributor's places of
23 business to another of the distributor's places of business
24 within the State, may be allowed by the State Tax Assessor to
25 cover the loss through shrinkage, evaporation or handling
26 sustained by the distributor.

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SUMMARY

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31 Presently in the State, distributors of gasoline are, for
32 tax purposes, permitted an allowance of up to 2% for product
33 shrinkage and losses incurred in the transfer process. This bill
34 grants propane distributors that same allowance since both
35 products are similar in that regard. The language regarding the
36 shrinkage allowance for gasoline is contained in the Maine
Revised Statutes, Title 36, section 2906.