## MAINE STATE LEGISLATURE

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## 119th MAINE LEGISLATURE

## FIRST REGULAR SESSION-1999

Legislative Document

No. 1271

S.P. 434

In Senate, February 16, 1999

An Act to Ensure the Proper Taxation of Low-energy Fuels.

Reference to the Committee on Taxation suggested and ordered printed.

JOY J. O'BRIEN Secretary of the Senate

Presented by Senator AMERO of Cumberland. Cosponsored by Senators: MILLS of Somerset, SMALL of Sagadahoc, Representative: COWGER of Hallowell.

	Be it enacted by the People of the State of Maine as follows:
2	Sec. 1. 36 MRSA §3204-A, sub-§7, as amended by PL 1997, c.
4	738, §11, is further amended to read:
6	7. Kerosene for retail sale. Kerosene delivered into a
8	separate tank for retail sale, in which case the excise tax must be remitted by licensed users pursuant to section 3207, rather than by the supplier; and
10	Sec. 2. 26 MDSA 83204 A sub-88 as appeted by DI 1007 a
12	Sec. 2. 36 MRSA §3204-A, sub-§8, as enacted by PL 1997, c. 738, §11, is amended to read:
14	8. Dyed fuel. Dyed fuel : and
16	Sec. 3. 36 MRSA §3204-A, sub-§9 is enacted to read:
18	<ol> <li>Propane and liquefied petroleum gas not sold or used as special fuel. All unaccounted-for or lost propane and liquefied</li> </ol>
20	petroleum gas, all propane and liquefied petroleum gas not sold and all propane and liquefied petroleum not delivered into a
22	motor vehicle designed for highway use may not be assessed as the
24	special fuel tax.
26	SUMMARY
28	This bill amends the Special Fuel Tax Act and clarifies the

This bill amends the Special Fuel Tax Act and clarifies the point of application of the excise tax on low-energy fuels, such as propane and natural gas. The bill prohibits the State from assuming that unaccounted-for gallons of liquefied petroleum gas and propane were used on the road and thus prohibits the State from assessing the excise tax on low-energy fuel that was not used for a taxable purpose.

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