

MAINE STATE LEGISLATURE

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119th MAINE LEGISLATURE

FIRST REGULAR SESSION-1999

Legislative Document

No. 1337

H.P. 940

House of Representatives, February 16, 1999

An Act Regarding Taxation of Clean Vehicle Fuels.

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in black ink that reads "Joseph W. Mayo".

JOSEPH W. MAYO, Clerk

Presented by Representative DUDLEY of Portland.
Cosponsored by Senator KONTOS of Cumberland and
Representatives: BRENNAN of Portland, GREEN of Monmouth, MAYO of Bath,
McKENNEY of Cumberland, POVICH of Ellsworth.

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

Sec. 1. 36 MRSA §3202, sub-§§2-B and 2-C are enacted to read:

2-B. Clean fuel and clean fuel vehicle . "Clean fuel and clean fuel vehicle" has the same meaning as in Title 10, section 963-A, subsections 5-A and 5-B.

2-C. Gasoline gallon equivalent. "Gasoline gallon equivalent" means the volume of clean fuel containing the same numbers of British Thermal Units as one gallon of unleaded 87-octane gasoline.

Sec. 2. 36 MRSA §3203, sub-§1, as enacted by PL 1997, c. 738, §10, is amended to read:

1. Generally. Except as provided in section 3204-A, an excise tax is levied and imposed on all suppliers of special fuel sold and on all users of special fuel used in this State for each gallon of distillate at the rate of 20¢ per gallon and for each gallon of low-energy fuel at the rate of 18¢ per gallon. Clean fuels, whether or not low-energy fuels, are taxed at an amount equal to 1/2 of the amount applicable to a gallon of distillate fuel.

Sec. 3. 36 MRSA §3203, sub-§7 is enacted to read:

7. Clean fuel tax. Until the number of clean fuel vehicles registered in this State exceeds 1% of the total number of registered motor vehicles, the tax amount remains at 1/2 the amount applicable to a gallon of distillate fuel until December 31, 2006. If, after December 31, 2003, the number of registered clean fuel vehicles exceeds 1% of the total number of registered motor vehicles, clean fuels are taxed at an amount equal to 3/4 of the amount applicable to a gallon of distillate fuel. This amount must be applied to each gasoline gallon equivalent of clean fuel supplied to a clean fuel vehicle. After December 31, 2006, the tax amount on clean fuels must be the same as the tax amount on a gallon of distillate fuel applied on a gasoline gallon equivalent basis.

SUMMARY

This bill amends the Special Fuel Tax Act by including the definitions of "clean fuel vehicle," "clean fuel" and "gasoline gallon equivalent." The bill also sets the tax for clean fuel at 1/2 of the amount applicable to a gallon of distillate fuel.