

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)



121st MAINE LEGISLATURE

FIRST REGULAR SESSION-2003

Legislative Document

No. 441

S.P. 160

In Senate, February 4, 2003

An Act To Encourage the Development and Use of Domestically Produced Renewable Motor Vehicle Fuels

Reference to the Committee on Transportation 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 KNEELAND of Aroostook.
Cosponsored by Senators: BRYANT of Oxford, CARPENTER of York, SHOREY of
Washington, WESTON of Waldo, YOUNGBLOOD of Penobscot, Representatives:
CHURCHILL of Washburn, WOTTON of Littleton.

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

4 **Sec. 1. 36 MRSA §2902, sub-§4-A** is enacted to read:

6 **4-A. Renewable fuel.** "Renewable fuel" means a liquid nonpetroleum-based fuel that can be placed in a vehicle fuel tank and used as a fuel in a highway vehicle. The term includes all forms of fuel commonly or commercially known or sold as biodiesel and ethanol.

10 **Sec. 2. 36 MRSA §2903, sub-§1,** as amended by PL 2001, c. 688,
12 §1, is further amended to read:

14 **1. Excise tax imposed.** An excise tax is imposed on internal combustion engine fuel, but not renewable fuel produced in this State, used or sold within this State, including sales to the State or a political subdivision of the State, at the rate of 22¢ per gallon, except that the rate is 3.4¢ per gallon on internal combustion engine fuel, as defined in section 2902, bought or used for the purpose of propelling jet or turbojet engine aircraft. The tax rate provided by this section is subject to annual inflation adjustment pursuant to section 3321 except with respect to the tax imposed upon fuel bought or used for the purpose of propelling jet or turbojet engine aircraft. Renewable fuel exempt from taxation pursuant to this section, whether it is blended with other fuels or used in its pure state, is fully exempt from taxation and is not subject to the refund procedures contained in this chapter. If renewable fuel is blended with nonexempt motor fuels, the nonexempt portion of the blended fuel must be taxed as prescribed by law. The sale of fuels exempt from taxation under this section must be documented and reported to the State Tax Assessor by the supplier of renewable fuel according to rules established by the State Tax Assessor. Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

38
40 **SUMMARY**

42 This bill exempts nonpetroleum renewable fuels from the motor vehicle fuel excise tax, including biodiesel and ethanol.