

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)

DATE: 4-14-03

(Filing No. H-121)

MINORITY
TRANSPORTATION

MS

2
4
6
8
10
12
14
16
18
20
22
24
26
28
30
32
34
36
38
40
42
44
46

Reproduced and distributed under the direction of the Clerk of the House.

STATE OF MAINE
HOUSE OF REPRESENTATIVES
121ST LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 1010, L.D. 1375, Bill, "An Act To Delay the Fiscal Sustainability of the Highway Fund"

Amend the bill by inserting after the title and before the enacting clause the following:

'Emergency preamble. Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, the 90-day period may not terminate until after the beginning of the next fiscal year; and

Whereas, the need for additional revenue for the Highway Fund will commence at the beginning of the next fiscal year; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,'

Further amend the bill by striking out everything after the enacting clause and before the summary and inserting in its place the following:

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

COMMITTEE AMENDMENT

R. of S.

1. **Excise tax imposed.** An excise tax is imposed on internal combustion engine fuel used or sold within this State, including sales to the State or a political subdivision of the State, at the rate of ~~22¢~~ 25¢ 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.

Sec. 2. 36 MRSA §3203, sub-§1, as amended by PL 2001, c. 688, §5, is further amended to read:

1. **Generally.** Except as provided in section 3204-A, an excise tax is levied and imposed on all suppliers of distillates sold, on all retailers of low-energy fuel sold and on all users of special fuel used in this State for each gallon of distillate at the rate of ~~23¢~~ 26¢ per gallon and for each gallon of low-energy fuel based on the British Thermal Unit, referred to in this subsection as "BTU," energy content for each fuel as compared to gasoline. In the case of distillates, the tax rate provided by this section is subject to annual inflation adjustment pursuant to section 3321. Applicable BTU values are as follows.

| Fuel type | BTU content per gallon | Formula (BTU value fuel/ BTU value gasoline) x tax rate gasoline | Tax rate |
|----------------|------------------------|--|--|
| Gasoline | 115,000 | 100% x 22¢ <u>25¢</u> | 22¢ <u>25¢</u> per gallon as authorized in section 2903 |
| Methanol (M85) | 65,530 | 57% x 22¢ <u>25¢</u> | 12.5¢ <u>14.25¢</u> per gallon |
| Ethanol (E85) | 81,850 | 71% x 22¢ <u>25¢</u> | 15.6¢ <u>17.75¢</u> per gallon |

H. O. S.

2
4
6
8
10
12
14
16
18
20
22
24
26
28
30
32
34
36
38

| | | | |
|--|---------|----------------------|--|
| Propane | 84,500 | 73% x 22¢ <u>25¢</u> | 16¢ <u>18.25¢</u> per gallon |
| Compressed Natural Gas (BTU per 100 standard cubic feet) | 100,000 | 87% x 22¢ <u>25¢</u> | 19.1¢ <u>21.75¢</u> per 100 standard cubic feet |

Sec. 3. 36 MRSA c. 465, as enacted by PL 2001, c. 688, §8, is repealed.

Sec. 4. Application. Those sections of this Act that amend the Maine Revised Statutes, Title 36, section 2903, subsection 1 and section 3203, subsection 1 apply to transactions involving internal combustion fuel used or sold on or after July 1, 2003.

Emergency clause. In view of the emergency cited in the preamble, this Act takes effect when approved.'

SUMMARY

This amendment is the minority report and does the following:

1. It repeals the indexing of motor fuel tax rates;
2. It increases the gasoline tax by 3¢; and
3. It increase the special fuels tax by 3¢.

FISCAL NOTE REQUIRED
(See attached)



**121st Maine Legislature
Office of Fiscal and Program Review**

LD 1375

An Act To Delay the Fiscal Sustainability of the Highway Fund

LR 1882(02)

Fiscal Note for Bill as Amended by Committee Amendment " "

Committee: Transportation

Fiscal Note Required: Yes

Fiscal Note

| | 2003-04 | 2004-05 | Projections 2005-06 | Projections 2006-07 |
|---------------------------------|----------------|----------------|--------------------------------|--------------------------------|
| Net Cost (Savings) | | | | |
| General Fund | (\$2,600) | \$1,315 | \$13,486 | \$24,931 |
| Highway Fund | (\$3,060,096) | \$2,204,450 | \$7,504,137 | \$13,388,208 |
| Revenue | | | | |
| General Fund | \$2,600 | (\$1,315) | (\$13,486) | (\$24,931) |
| Highway Fund | \$3,060,096 | (\$2,204,450) | (\$7,504,137) | (\$13,388,208) |
| Other Special Revenue Funds | \$0 | \$0 | (\$137,916) | (\$247,475) |
| Fiscal Detail and Notes | | | | |
| Highway Fund - Gas Tax | \$2,560,855 | (\$1,513,778) | (\$5,684,140) | (\$10,199,475) |
| Highway Fund - Special Fuel Tax | \$499,241 | (\$690,672) | (\$1,819,997) | (\$3,188,733) |

Repealing the annual indexing of motor fuel taxes and increasing the gasoline and special fuel taxes will increase Highway Fund revenue by \$3,060,096 in fiscal year 2003-04 and decrease Highway Fund revenue by \$2,204,450 in fiscal year 2004-05. It will also increase General Fund revenue by \$2,600 in fiscal year 2003-04 and decrease General Fund revenue by \$1,315 in fiscal year 2004-05.