

# MAINE STATE LEGISLATURE

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# 121st MAINE LEGISLATURE

## FIRST REGULAR SESSION-2003

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Legislative Document

No. 1375

H.P. 1010

House of Representatives, March 18, 2003

### **An Act To Delay the Fiscal Sustainability of the Highway Fund**

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Submitted by the Department of Transportation pursuant to Joint Rule 204.  
Reference to the Committee on Transportation suggested and ordered printed.

*Millicent M. MacFarland*  
MILLICENT M. MacFARLAND  
Clerk

Presented by Representative USHER of Westbrook.  
Cosponsored by Senator HATCH of Somerset.

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

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**Sec. 1. 36 MRSA §3321, sub-§§1 and 2**, as enacted by PL 2001, c. 688, §8, are amended to read:

1. **Generally.** Beginning in ~~2003~~ 2005, and each calendar year thereafter, the excise tax imposed upon internal combustion engine fuel pursuant to section 2903, subsection 1 and the excise tax imposed upon distillates pursuant to section 3203, subsection 1 are subject to an annual rate of adjustment pursuant to this section. On or about February 15th of each year, the State Tax Assessor shall calculate the adjusted rates by multiplying the rates in effect on the calculation date by an inflation index as computed in subsection 2. The adjusted rates must then be rounded to the nearest 1/10 of a cent and become effective on the first day of July immediately following the calculation. The assessor shall publish the annually adjusted fuel tax rates and shall provide all necessary forms and reports to suppliers, distributors and retail dealers.

2. **Method of calculation; inflation index defined.** ~~The inflation index for 2003 is 1.118, representing annual inflation adjustments for the years 1999 to 2002, inclusive.~~ Starting in 2004 2005 and every year thereafter, the inflation index is the Consumer Price Index as defined in section 5402, subsection 1 for the calendar year ending on the December 31st immediately preceding the calculation date, divided by the Consumer Price Index for the prior calendar year.

**SUMMARY**

This bill delays the adjustment for inflation of the excise tax on internal combustion engine fuel and distillates from 2003 to 2005.