

# MAINE STATE LEGISLATURE

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# 122nd MAINE LEGISLATURE

## FIRST REGULAR SESSION-2005

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Legislative Document

No. 131

H.P. 109

House of Representatives, January 13, 2005

### 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 MARLEY of Portland.  
Cosponsored by Senator DAMON of Hancock.

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

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

6 **1. Generally.** Beginning in ~~2003~~ 2007, and each calendar  
8 year thereafter, the excise tax imposed upon internal combustion  
10 engine fuel pursuant to section 2903, subsection 1 and the excise  
12 tax imposed upon distillates pursuant to section 3203, subsection  
14 1 are subject to an annual rate of adjustment pursuant to this  
16 section. On or about February 15th of each year, the State Tax  
18 Assessor shall calculate the adjusted rates by multiplying the  
20 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.

22 **2. Method of calculation; inflation index defined.** The  
24 ~~inflation index for 2003 is 1.118, representing annual inflation~~  
26 ~~adjustments for the years 1999 to 2002, inclusive.~~ Starting in  
28 2004 2007 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.

30 **SUMMARY**

32 This bill delays the adjustment for inflation of the excise  
34 tax on internal combustion engine fuel and distillates from 2005  
to 2007.