

# MAINE STATE LEGISLATURE

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# 122nd MAINE LEGISLATURE

## FIRST REGULAR SESSION-2005

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Legislative Document

No. 258

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H.P. 197

House of Representatives, January 18, 2005

### An Act To Repeal Gasoline Tax Indexing

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Reference to the Committee on Taxation suggested and ordered printed.

*Millicent M. MacFarland*  
MILLICENT M. MacFARLAND  
Clerk

Presented by Representative McKENNEY of Cumberland.  
Cosponsored by Representative McKANE of Newcastle and  
Representatives: CLOUGH of Scarborough, COLLINS of Wells, MOORE of Standish,  
THOMAS of Ripley, TWOMEY of Biddeford, Senators: ANDREWS of York, COURTNEY  
of York, SNOWE-MELLO of Androscoggin.

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

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

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¢~~ 25.2¢ 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¢~~ 26.3¢ 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 <del>22¢</del> <u>25.2¢</u>	<del>22¢</del> <u>25.2¢</u> per gallon as authorized in section 2903
Methanol (M85)	65,530	57% x <del>22¢</del> <u>25.2¢</u>	<del>12.5¢</del> <u>14.3¢</u> per gallon

