

MAINE STATE LEGISLATURE

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122nd MAINE LEGISLATURE

FIRST REGULAR SESSION-2005

Legislative Document

No. 698

S.P. 235

In Senate, February 10, 2005

An Act To Provide for the Temporary Suspension of the Tax on Motor Fuel

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 NASS of York.

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

4 **Sec. 1. 36 MRSA §2903, sub-§1-D** is enacted to read:

6 1-D. Suspension of excise tax. Notwithstanding subsection 1,
8 the tax imposed pursuant to subsection 1 is suspended if the
10 weekly average retail price of internal combustion engine fuel
12 sold in this State:

14 A. Exceeds by 50% or more the weekly average retail price
16 for the immediately preceding 52 weeks; or

18 B. Exceeds by more than 50% the immediately preceding
20 calendar year average retail price.

22 The tax imposed pursuant to subsection 1 is suspended during the
24 calendar month following the date upon which either condition
26 specified in paragraphs A and B is met.

28 For purposes of this subsection, "weekly average retail price"
30 and "calendar year average retail price" mean the average retail
32 prices of internal combustion engine fuel sold in this State for
34 those respective periods as reported by the American Automobile
36 Association of Northern New England, or its successor
38 organization, less the tax imposed pursuant to subsection 1.

40 **Sec. 2. 36 MRSA §3203, sub-§1-A** is enacted to read:

42 1-A. Suspension of excise tax. Notwithstanding subsection
44 1, the tax imposed pursuant to subsection 1 is suspended if the
46 weekly average retail price of methanol, ethanol, propane or
48 compressed gas sold in this State:

50 A. Exceeds by 50% or more the weekly average retail price
52 for that fuel for the immediately preceding 52 weeks; or

54 B. Exceeds by more than 50% for that fuel the immediately
56 preceding calendar year average retail price.

58 The tax imposed pursuant to subsection 1 is suspended during the
60 calendar month following the date upon which either condition
62 specified in paragraphs A and B is met.

64 For purposes of this subsection, "weekly average retail price"
66 and "calendar year average retail price" mean the average retail
68 prices of methanol, ethanol, propane or compressed gas sold in
70 this State for those respective periods and those respective
72 fuels as reported by the American Automobile Association of
74 Northern New England, or its successor organization, less the tax
76 imposed pursuant to subsection 1.

2 **Sec. 3. 36 MRSA §3321, sub-§2**, as enacted by PL 2001, c. 688,
§8, is amended to read:

4 **2. Method of calculation; inflation index defined;**
maximum. The inflation index for 2003 is 1.118, representing
6 annual inflation adjustments for the years 1999 to 2002,
inclusive. Starting in 2004 and every year thereafter, the
8 inflation index is the Consumer Price Index as defined in section
5402, subsection 1 for the calendar year ending on the December
10 31st immediately preceding the calculation date, divided by the
Consumer Price Index for the prior calendar year, except that the
12 maximum annual inflation index is 2%.

14
SUMMARY

16
18 This bill suspends the tax imposed on internal combustion
engine fuel and on special fuels if the retail price of those
fuels exceeds by 50% or more the weekly average retail price of
20 the fuel for the previous 52 weeks or calendar year. This bill
also caps the inflation index on motor fuels at 2% annually.