

MAINE STATE LEGISLATURE

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122nd MAINE LEGISLATURE

FIRST SPECIAL SESSION-2005

Legislative Document

No. 1534

H.P. 1079

House of Representatives, April 4, 2005

An Act To Encourage the Production of Biodiesel from Forest Products, Agricultural Products and Waste Vegetable Oil

Reference to the Committee on Taxation suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative THOMPSON of China.
Cosponsored by Senator BRYANT of Oxford and
Representatives: BROWNE of Vassalboro, EDER of Portland, KOFFMAN of Bar Harbor,
McCORMICK of West Gardiner, PIOTTI of Unity, SAVIELLO of Wilton, SMITH of
Monmouth, Senator: SAVAGE of Knox.

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

4 **Sec. 1. 36 MRSA §614** is enacted to read:

6 **§614. Biomass fuel credit**

8 A municipality may by ordinance refund a portion of the tax paid on personal property under this Part as provided in this section.

10 1. "Biomass fuel" defined. As used in this section, unless the context otherwise indicates, "biomass fuel" means any liquid or gaseous product or energy source used to propel motor vehicles or otherwise substitute for liquid or gaseous fuels that is:

16 A. Produced in the State;

18 B. Derived from forest products, agricultural products or waste vegetable oil from within the State;

20 C. In compliance with the American Society for Testing and Materials Standard D6751-02a or other applicable standard from the American Society for Testing and Materials; and

24 D. Substantially altered from its raw state by the production process.

26 2. "Biomass fuel mixture" defined. As used in this section, unless the context otherwise indicates, "biomass fuel mixture" means a mixture of diesel fuel and biomass fuel produced in the State.

30 3. Credit allowed. A taxpayer engaged in the production of biomass fuel mixture in the State who has received certification under subsection 4 may be allowed a credit against the tax imposed on personal property used in the production of biomass fuel mixture in an amount of not more than 1¢ per percent of biomass fuel in the biomass fuel mixture per gallon.

34 4. Provision of information. A taxpayer engaged in the production of biomass fuel mixture may provide information to the Commissioner of Environmental Protection regarding the biomass fuel mixture being produced, including the type of product being used, the nature and composition of the fuel being produced, the percentage of biomass fuel in the biomass fuel mixture, the proportion and composition of any nonbiomass fuel with which the biomass fuel is blended and the type of application for which the biomass fuel is intended to be used. Upon review of the information, the Commissioner of Environmental Protection may provide the taxpayer with a letter of certification stating that

2 the biomass fuel mixture produced during the taxable year is
3 eligible for a tax credit under this section and stating the
4 number of gallons of biomass fuel mixture produced.

6 This section is repealed December 31, 2012.

8 **Sec. 2. 36 MRSA §2903, sub-§4, ¶¶E and F,** as enacted by PL
1997, c. 738, §4, are amended to read:

10 E. Brought into this State in the fuel tanks of an
11 aircraft; ~~or~~

12 F. On which the collection of the tax imposed by this
13 section is precluded by federal law or regulation; or

16 **Sec. 3. 36 MRSA §2903, sub-§4, ¶G** is enacted to read:

18 G. Derived from forest products, agricultural products or
19 waste vegetable oil from within the State and produced in
20 the State.

22 This paragraph is repealed December 31, 2012.

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SUMMARY

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28 This bill allows a municipality to refund a portion of the
29 tax on personal property paid by a taxpayer who produces fuel
30 derived from forest products, agricultural products or waste
31 vegetable oil that is from within the State and produced in the
32 State. It also exempts that fuel from the gasoline tax. These
provisions are repealed December 31, 2012.