

# MAINE STATE LEGISLATURE

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R 08*

L.D. 1974

DATE: 4-28-06

(Filing No. S-648)

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STATE OF MAINE  
SENATE  
122ND LEGISLATURE  
SECOND REGULAR SESSION

SENATE AMENDMENT "D" to COMMITTEE AMENDMENT "A" to H.P. 1382, L.D. 1974, Bill, "An Act To Make Additional Allocations from the Highway Fund and Other Funds for the Expenditures of State Government and To Change Certain Provisions of State Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2005 and June 30, 2006"

Amend the amendment by inserting after Part Q the following:

PART R

Sec. R-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¢~~ per gallon in effect on July 1, 2007, 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. R-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

**SENATE AMENDMENT**

2008

SENATE AMENDMENT "D" to COMMITTEE AMENDMENT "A" to H.P. 1382, L.D. 1974

2 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  
4 at the rate of 23¢ per gallon in effect on July 1, 2007 and for  
each gallon of low-energy fuel based on the British Thermal Unit,  
6 referred to in this subsection as "BTU," energy content for each  
fuel as compared to gasoline. ~~In the case of distillates, the~~  
8 ~~tax rate provided by this section is subject to annual inflation~~  
~~adjustment pursuant to section 3321.~~ Applicable BTU values are  
as follows.

10 Fuel type	BTU content	Formula	Tax rate
	12 per gallon	(BTU 14 value fuel/ BTU value 16 gasoline) x tax rate 18 gasoline	
20 Gasoline	115,000	100% x 22¢	22¢ per 22 gallon 24 as author- ized in section 26 2903
28 Methanol (M85)	65,530	57% x 22¢	12.5¢ per gallon
32 Ethanol (E85)	81,850	71% x 22¢	15.6¢ per gallon
36 Propane	84,500	73% x 22¢	16¢ per gallon
40 Compressed Natural Gas	100,000 (BTU per 100 42 standard cubic 44 feet)	87% x 22¢	19.1¢ per 100 standard cubic feet

46 **Sec. R-3. 36 MRSA c. 465, as amended, is repealed.**

48 **Sec. R-4. Effective date.** This Part takes effect July 1, 2007.

50

# SENATE AMENDMENT

**808**

SENATE AMENDMENT "D" to COMMITTEE AMENDMENT "A" to H.P. 1382,  
L.D. 1974

**PART S**

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**Sec. S-1. State Tax Assessor to determine BTU values.** In anticipation of the repeal of the law requiring annual indexing of motor fuel tax rates, the State Tax Assessor shall determine the BTU values that should appear in the Maine Revised Statutes, Title 36, section 3203, subsection 1 based upon the repeal of Title 36, chapter 465 and shall submit legislation to the First Regular Session of the 123rd Legislature by January 5, 2007 to make the necessary changes in Title 36, section 3203 effective July 1, 2007.'

Further amend the amendment by relettering or renumbering any nonconsecutive Part letter or section number to read consecutively.

**SUMMARY**

This amendment repeals the annual inflation indexing of the excise tax on motor fuel effective July 1, 2007. The amendment also requires the State Tax Assessor to submit legislation to amend the relevant law to reflect the rate of tax as changed by inflation indexing as of July 1, 2007.

**FISCAL NOTE REQUIRED**  
(See attached)

SPONSORED BY: *Courtney*  
(Senator COURTNBY)  
COUNTY: York



# 122nd MAINE LEGISLATURE

LD 1974

LR 3082(31)

**An Act to Make Additional Allocations from the Highway Fund and Other Funds for the Expenditures of State Government and To Change Certain Provisions of State Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2006 and June 30, 2007**

**Fiscal Note for Senate Amendment "D" to Committee Amendment "A"**

**Sponsor: Sen. Courtney**

**Fiscal Note Required: Yes**

## Fiscal Note

	2005-06	2006-07	Projections 2007-08	Projections 2008-09
<b>Net Cost (Savings)</b>				
General Fund	\$0	\$0	\$0	\$7,819
Highway Fund	\$0	\$0	\$0	\$7,015,209
<b>Revenue</b>				
General Fund	\$0	\$0	\$0	(\$7,819)
Highway Fund	\$0	\$0	\$0	(\$7,015,209)
Other Special Revenue Funds	\$0	\$0	\$0	(\$136,972)

### Fiscal Detail and Notes

Repealing fuel tax indexing beginning on July 1, 2007 will result in revenue losses of \$7,015,209 to the Highway Fund, \$7,819 to the General Fund and \$136,972 to Other Special Revenue Funds in fiscal year 2008-09.