

MAINE STATE LEGISLATURE

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123rd MAINE LEGISLATURE

FIRST REGULAR SESSION-2007

Legislative Document

No. 89

S.P. 33

In Senate, January 9, 2007

An Act To Repeal the Automatic Increase in the Gasoline Tax

Reference to the Committee on Taxation 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 COURTNEY of York.
Cosponsored by Representative McKANE of Newcastle and
Senators: DOW of Lincoln, SNOWE-MELLO of Androscoggin, Representatives:
CAMPBELL of Newfield, CEBRA of Naples, DUPREY of Hampden, JACOBSEN of
Waterboro, LANSLEY of Sabattus, MAREAN of Hollis.

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

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

4 **1. Excise tax imposed.** An excise tax is imposed on internal combustion engine fuel
5 used or sold within this State, including sales to the State or a political subdivision of the
6 State, at the rate of ~~22¢~~ 26.8¢ per gallon, except that the rate is 3.4¢ per gallon on internal
7 combustion engine fuel, as defined in section 2902, bought or used for the purpose of
8 propelling jet or turbojet engine aircraft. ~~The tax rate provided by this section is subject~~
9 ~~to annual inflation adjustment pursuant to section 3321 except with respect to the tax~~
10 ~~imposed upon fuel bought or used for the purpose of propelling jet or turbojet engine~~
11 ~~aircraft.~~

12 **Sec. 2. 36 MRSA §3203, sub-§1**, as amended by PL 2001, c. 688, §5, is further
13 amended to read:

14 **1. Generally.** Except as provided in section 3204-A, an excise tax is levied and
15 imposed on all suppliers of distillates sold, on all retailers of low-energy fuel sold and on
16 all users of special fuel used in this State for each gallon of distillate at the rate of ~~23¢~~
17 26.3¢ per gallon and for each gallon of low-energy fuel based on the British Thermal
18 Unit, referred to in this subsection as "BTU," energy content for each fuel as compared to
19 gasoline. ~~In the case of distillates, the tax rate provided by this section is subject to~~
20 ~~annual inflation adjustment pursuant to section 3321.~~ Applicable BTU values are as
21 follows.

22 Fuel type	BTU content per	Formula (BTU	Tax rate
23	gallon	value fuel/BTU	
24		value gasoline)	
25		x tax rate	
26		gasoline	
27 Gasoline	115,000	100% x 22¢ <u>26.8¢</u>	22¢ <u>26.8¢</u> per gallon as authorized in section 2903
31 Methanol (M85)	65,530	57% x 22¢ <u>26.8¢</u>	12.5¢ <u>15.2¢</u> per gallon
33 Ethanol (E85)	81,850	71% x 22¢ <u>26.8¢</u>	15.6¢ <u>18.9¢</u> per gallon
35 Propane	84,500	73% x 22¢ <u>26.8¢</u>	16¢ <u>19.4¢</u> per gallon
37 Compressed	100,000 (BTU	87% x 22¢ <u>26.8¢</u>	19.1¢ <u>23.2¢</u> per
38 Natural Gas	per 100 standard 39 cubic feet)		100 standard cubic feet

40 **Sec. 3. 36 MRSA c. 465**, as amended, is repealed.

SUMMARY

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This bill repeals the annual inflation indexing of the excise tax on motor fuel. The bill also amends the relevant statutes to reflect the current rate of tax as changed by inflation indexing.