

MAINE STATE LEGISLATURE

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Date: 6/11/07

(Filing No. H-525)

TAXATION

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
123RD LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 625, L.D. 828, Bill, "An Act To Change the Process for Applying for Reimbursement of Fuel Taxes"

Amend the bill by striking out everything after the enacting clause and before the summary and inserting the following:

'Sec. 1. 36 MRSA §2908, as repealed and replaced by PL 2005, c. 683, Pt. B, §31, is amended to read:

§2908. Refund of tax in certain cases; time limit

A person who purchases and uses internal combustion engine fuel for any commercial use other than in the operation of a registered motor vehicle on the highways of this State or, except as provided in section 2910, in the operation of an aircraft and who has paid the tax imposed by this chapter on that fuel is entitled to reimbursement in the amount of the tax paid, ~~less 1¢ per gallon~~, upon presenting to the State Tax Assessor a sworn statement accompanied by the original invoices or other evidence as the assessor may require. The statement must show the total amount of internal combustion engine fuel so purchased and used by that person for a commercial use other than in the operation of registered motor vehicles on the highways of this State or in the operation of aircraft.

A refund application on a form prescribed by the State Tax Assessor must be filed to claim a refund pursuant to this section. Interest must be paid at the rate determined pursuant to section 186, calculated from the date of receipt of the monthly claim, for all proper claims not paid within ~~30~~ 90 days of receipt. Applications for refunds must be filed with the assessor within ~~12~~ 15 months from the date of purchase.

All fuel that qualifies for a refund under this section is subject to the use tax imposed by chapter 215.

Sec. 2. 36 MRSA §2909, last ¶, as amended by PL 2005, c. 332, §17, is further amended to read:

COMMITTEE AMENDMENT

1 Applications for refunds must be filed with the State Tax Assessor, on a form
2 prescribed by the assessor and accompanied by the original invoices showing those
3 purchases, within ~~12~~ 15 months from the date of purchase. Interest must be paid at the
4 rate determined pursuant to section 186, calculated from the date of receipt of the
5 monthly claim, for all proper claims not paid within 90 days of receipt. A refund may not
6 be issued under this section unless the claimant's commutation fare revenue derived
7 during the calendar quarter for which the refund is claimed is at least 60% of the
8 claimant's total passenger fare revenue derived during that calendar quarter.

9 **Sec. 3. 36 MRSA §2910**, as amended by PL 1983, c. 94, Pt. C, §15, is further
10 amended to read:

11 **§2910. Refund of tax to users of aircraft**

12 Any person, association of persons, firm or corporation who ~~shall buy~~ buys and ~~use~~
13 uses any internal combustion engine fuel as defined in section 2902, for the purpose of
14 propelling piston engine aircraft and who ~~shall have~~ has paid any tax on internal
15 combustion engine fuel levied or directed to be paid as provided by this chapter, either
16 directly by the collection of ~~such~~ the tax by the vendor from ~~such~~ that consumer, or
17 indirectly by adding the amount of ~~such~~ the tax to the price of ~~such~~ the fuel and paid by
18 ~~such~~ that consumer, ~~shall~~ must be reimbursed and repaid the amount of ~~such~~ the tax paid
19 by ~~him~~ less 4¢ per gallon the consumer upon presenting to the State Tax Assessor a
20 statement accompanied by the original invoices showing ~~such~~ those purchases.
21 Applications for refunds must be filed with the State Tax Assessor within ~~12~~ 15 months
22 from the date of purchase. Interest must be paid at the rate determined pursuant to
23 section 186, calculated from the date of receipt of the monthly claim, for all proper claims
24 not paid within 90 days of receipt.

25 **Sec. 4. 36 MRSA §2910-B**, as enacted by PL 2005, c. 457, Pt. AAA, §3, is
26 amended to read:

27 **§2910-B. Refund to state agencies and political subdivisions**

28 Any agency of this State and any political subdivision of this State that buys and uses
29 internal combustion engine fuel and that has paid a tax as provided by this chapter must
30 be reimbursed in the amount of the tax paid upon presenting to the State Tax Assessor a
31 statement accompanied by the original invoices showing ~~the~~ those purchases. By
32 contractual agreement, an agency of this State or a political subdivision of this State may
33 assign to another person its right to receive refunds under this section. Applications for
34 refunds must be filed with the assessor within ~~12~~ 15 months from the date of purchase.
35 Interest must be paid at the rate determined pursuant to section 186, calculated from the
36 date of receipt of the monthly claim, for all proper claims not paid within 90 days of
37 receipt.

38 **Sec. 5. 36 MRSA §3208-A**, as amended by PL 2005, c. 664, Pt. M, §1, is further
39 amended to read:

40 **§3208-A. Refund to political subdivisions**

41 Any political subdivision of the State that buys and uses special fuel as defined in
42 section 3202, subsection 6, and that has paid a tax levied as provided by this chapter,

1 either directly by the collection of the tax by the vendor from the consumer, or indirectly
2 by adding the amount of the tax to the price of the fuel and paid by the consumer, must be
3 reimbursed in the amount of the tax paid upon presenting to the State Tax Assessor a
4 statement accompanied by the original invoices showing those purchases. By contractual
5 agreement, any agency of this State or political subdivision of this State may assign to
6 another person its right to receive funds under this section. Applications for refunds must
7 be filed with the State Tax Assessor within ~~12~~ 15 months from the date of purchase.
8 Interest must be paid at the rate determined pursuant to section 186, calculated from the
9 date of receipt of the monthly claim, for all proper claims not paid within 90 days of
10 receipt.

11 ~~Notwithstanding this section, a county or a municipality may file a claim for refund~~
12 ~~of special fuel tax paid after January 1, 1984, but before April 1, 1986, for which no~~
13 ~~refund was previously claimed.~~

14 **Sec. 6. 36 MRSA §3215, last ¶**, as amended by PL 2005, c. 332, §18, is further
15 amended to read:

16 Applications for refunds must be filed with the State Tax Assessor, on a form
17 prescribed by the assessor and accompanied by the original invoices showing those
18 purchases, within ~~12~~ 15 months from the date of purchase. Interest must be paid at the
19 rate determined pursuant to section 186, calculated from the date of receipt of the
20 monthly claim, for all proper claims not paid within 90 days of receipt. A refund may
21 not be issued under this section unless the claimant's commutation fare revenue derived
22 during the calendar quarter for which the refund is claimed is at least 60% of the
23 claimant's total passenger fare revenue derived during that calendar quarter.

24 **Sec. 7. 36 MRSA §3218**, as amended by PL 2005, c. 332, §19, is further amended
25 to read:

26 **§3218. Refund of tax in certain cases; time limit**

27 A person who purchases and uses special fuel for any use other than operation of a
28 registered motor vehicle on the highways of this State and who has paid the tax imposed
29 by this chapter on that fuel, is entitled to reimbursement in the amount of the tax paid,
30 ~~less 1¢ per gallon~~, upon presenting to the State Tax Assessor a sworn statement
31 accompanied by the original invoices or other evidence as the assessor may require. The
32 statement must show the total amount of special fuel so purchased and used by that
33 person other than in the operation of registered motor vehicles on the highways of this
34 State or in the operation of aircraft.

35 A refund application on a form prescribed by the assessor must be filed to claim a
36 refund pursuant to this section. Interest must be paid at the rate determined pursuant to
37 section 186, calculated from the date of receipt of the monthly claim, for all proper claims
38 not paid within ~~30~~ 90 days of receipt. Applications for refunds must be filed with the
39 assessor within ~~12~~ 15 months from the date of purchase.

40 All fuel qualifying for a refund under this section is subject to the use tax imposed by
41 chapter 215.

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SUMMARY

2 This amendment extends the period for application for motor fuel tax refunds from 12
3 months to 15 months from the date of purchase, extends from 30 days to 90 days the time
4 period for the State to make motor fuel refund payments without being required to pay
5 interest and repeals provisions for state retention of a portion of the tax.

FISCAL NOTE REQUIRED
(See attached)



123rd MAINE LEGISLATURE

LD 828

LR 2116(02)

An Act To Change the Process for Applying for Reimbursement of Fuel Taxes

Fiscal Note for Bill as Amended by Committee Amendment "A"

Committee: Taxation

Fiscal Note Required: Yes

Fiscal Note

	2007-08	2008-09	Projections 2009-10	Projections 2010-11
Net Cost (Savings)				
General Fund	\$13	\$18	\$18	\$19
Highway Fund	\$120,042	\$163,606	\$166,878	\$170,216
Revenue				
General Fund	(\$13)	(\$18)	(\$18)	(\$19)
Highway Fund	(\$120,042)	(\$163,606)	(\$166,878)	(\$170,216)
Other Special Revenue Funds	(\$227)	(\$317)	(\$323)	(\$330)
State Transit, Aviation and Rail Transportation Fun	(\$6,356)	(\$8,644)	(\$8,817)	(\$8,993)

Fiscal Detail and Notes

Eliminating the 1¢ per gallon reduction in fuel taxes reimbursed will reduce Highway Fund revenue by an estimated \$120,042 in fiscal year 2007-08 and \$163,606 in fiscal year 2008-09 and will also result in a minor reduction of General Fund revenue.