

MAINE STATE LEGISLATURE

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123rd MAINE LEGISLATURE

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No. 972

H.P. 732

House of Representatives, March 2, 2007

An Act To Delay the Fiscal Sustainability of the Highway Fund

Submitted by the Department of Transportation pursuant to Joint Rule 204.
Reference to the Committee on Transportation suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative MARLEY of Portland.

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

2 **Sec. 1. 36 MRSA §3321, sub-§1**, as enacted by PL 2001, c. 688, §8, is amended
3 to read:

4 **1. Generally.** Beginning in ~~2003~~ 2009, and each calendar year thereafter, the excise
5 tax imposed upon internal combustion engine fuel pursuant to section 2903, subsection 1
6 and the excise tax imposed upon distillates pursuant to section 3203, subsection 1 are
7 subject to an annual rate of adjustment pursuant to this section. On or about February
8 15th of each year, the State Tax Assessor shall calculate the adjusted rates by multiplying
9 the rates in effect on the calculation date by an inflation index as computed in subsection
10 2. The adjusted rates must then be rounded to the nearest 1/10 of a cent and become
11 effective on the first day of July immediately following the calculation. The assessor
12 shall publish the annually adjusted fuel tax rates and shall provide all necessary forms and
13 reports to suppliers, distributors and retail dealers.

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

16 **2. Method of calculation; inflation index defined.** ~~The inflation index for 2003 is~~
17 ~~1.118, representing annual inflation adjustments for the years 1999 to 2002, inclusive.~~
18 Starting in ~~2004~~ 2009 and every year thereafter, the inflation index is the Consumer Price
19 Index as defined in section 5402, subsection 1 for the calendar year ending on the
20 December 31st immediately preceding the calculation date, divided by the Consumer
21 Price Index for the prior calendar year.

22 **SUMMARY**

23 This bill delays the adjustment for inflation of the excise tax on internal combustion
24 engine fuel and distillates for one year until 2009.