

# MAINE STATE LEGISLATURE

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# 124th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2009

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Legislative Document

No. 872

H.P. 603

House of Representatives, March 5, 2009

### An Act To Provide a Tax Credit to Certain Heating Fuel Contract Consumers

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Reference to the Committee on Taxation suggested and ordered printed.

*Millicent M. MacFarland*  
MILLICENT M. MacFARLAND  
Clerk

Presented by Representative STEVENS of Bangor.  
Cosponsored by Senator MILLS of Somerset and  
Representatives: BLODGETT of Augusta, CROCKETT of Bethel, CUSHING of Hampden,  
FLAHERTY of Scarborough, GOODE of Bangor, KAENRATH of South Portland, MAGNAN  
of Stockton Springs, PRATT of Eddington.

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

2 Sec. 1. 36 MRSA §5219-DD is enacted to read:

3 **§5219-DD. Credit for heating fuel contract loss**

4 **1. Definitions.** As used in this section, unless the context otherwise indicates, the  
5 following terms have the following meanings.

6 A. "Average price of heating fuel" means the price of heating fuel for the taxable  
7 year as determined by the Governor's Office of Energy Independence and Security.

8 B. "Contract loss" means the difference between the price per gallon for heating fuel  
9 as set in a heating fuel contract and the average price of heating fuel actually  
10 delivered to the person pursuant to a heating fuel contract if the average price of the  
11 heating fuel decreases to a lesser price after the parties have entered into the heating  
12 fuel contract.

13 C. "Heating fuel" means oil or propane used for the heating of a residence or  
14 business.

15 D. "Heating fuel contract" means a contract between a heating fuel supplier and a  
16 person in which the person agrees to pay a set amount for heating fuel supplied to  
17 that person for at least 6 months but no more than 12 months.

18 E. "Heating fuel supplier" means a person licensed as a business in this State that  
19 supplies heating fuel to another business or residence.

20 **2. Credit allowed.** A taxpayer is allowed a credit against the tax imposed by this  
21 Part for each taxable year equal to the contract loss incurred for that taxable year.

22 **3. Limitation; carry-over.** The credit provided by this section may not reduce the  
23 tax otherwise due under this Part below zero. Any unused portion of the credit may be  
24 carried over to the following year or years until exhausted.

25 **Sec. 2. Application.** This Act applies to tax years beginning on or after January 1,  
26 2009.

27 **SUMMARY**

28 This bill allows a person who enters into a contract for the supply of heating fuel at a  
29 locked-in price for at least 6 months but no more than 12 months to obtain an income tax  
30 credit for the excess cost of that heating fuel if the average actual price of that heating  
31 fuel decreases after the parties enter into the contract.