## MAINE STATE LEGISLATURE

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## 125th MAINE LEGISLATURE

## **FIRST REGULAR SESSION-2011**

Legislative Document

No. 1202

H.P. 893

House of Representatives, March 21, 2011

An Act To Equalize the Premiums Imposed on the Sale of Motor Vehicle Oil

Reference to the Committee on Taxation suggested and ordered printed.

HEATHER J.R. PRIEST Clerk

Presented by Representative HARVELL of Farmington.

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

- Sec. 1. 10 MRSA §1020, sub-§1, ¶A-1, as enacted by PL 2007, c. 618, §2, is repealed.
  - **Sec. 2. 10 MRSA §1020, sub-§1, ¶A-2,** as enacted by PL 2007, c. 618, §3, is amended to read:
    - A-2. "Diesel engine bulk motor vehicle oil" means diesel engine bulk motor vehicle oil meeting the performance requirements of American Petroleum Institute CJ-4 standards and all preceding specifications under those standards, inclusive of all viscosity grades.
    - **Sec. 3. 10 MRSA §1020, sub-§1, ¶C-1,** as enacted by PL 2007, c. 618, §5, is amended to read:
      - C-1. "Gasoline engine bulk motor vehicle oil" means gasoline engine bulk motor vehicle oil meeting the performance requirements of American Petroleum Institute SM and International Lubricant Standardization and Approval Committee GF-4 standards and all preceding specifications under those standards, inclusive of all viscosity grades.
    - **Sec. 4. 10 MRSA §1020, sub-§1, ¶H,** as enacted by PL 2007, c. 618, §9, is repealed.
    - **Sec. 5. 10 MRSA §1020, sub-§6-A,** as amended by PL 2009, c. 213, Pt. KKK, §2, is further amended to read:
    - **6-A. Premium.** In addition to any other tax or charge imposed under state or federal law, a premium is imposed on bulk motor vehicle oil and prepackaged motor vehicle oil sold or distributed in the State as provided in this subsection. A motor vehicle oil dealer that makes the first sale or distribution of bulk motor vehicle oil or prepackaged motor vehicle oil in the State shall pay the premium. Gasoline engine bulk motor vehicle oils are subject to a premium of \$1.10 35¢ per gallon. Diesel engine bulk motor vehicle oils are subject to a premium of 35¢ per gallon. Prepackaged motor vehicle oils are subject to a premium of 35¢ per gallon. All premiums must be paid to the State Tax Assessor and are subject to the administrative provisions of Title 36, Parts 1 and 3, as though they were a sales tax liability. By the 20th day of each month, the State Tax Assessor shall notify the State Controller and the Treasurer of State of the amount of revenue attributable to the premium collected under this subsection in the previous month. When notified by the State Tax Assessor, the State Controller shall transfer that amount to the fund. The premium imposed on prepackaged motor vehicle oil takes effect October 1, 2009.
    - **Sec. 6. 36 MRSA §112, sub-§8, ¶D,** as amended by PL 2009, c. 496, §2, is further amended to read:
    - D. Administration of the premium imposed on bulk motor vehicle oil and prepackaged motor vehicle oil under Title 10, section 1020.

| 1 2                  | <b>Sec. 7. 36 MRSA §1752, sub-§14, ¶B,</b> as amended by PL 2009, c. 625, §4 and affected by §§16 and 18 and c. 652, Pt. C, §8, is further amended to read:  |
|----------------------|--|
| 3                    | B. "Sale price" does not include:  |
| 4                    | (1) Discounts allowed and taken on sales;  |
| 5<br>6               | (2) Allowances in cash or by credit made upon the return of merchandise pursuant to warranty;  |
| 7<br>8               | (3) The price of property returned by customers, when the full price is refunded either in cash or by credit;  |
| 9<br>10              | (4) The price received for labor or services used in installing or applying or repairing the property sold, if separately charged or stated;   |
| 11<br>12<br>13       | (5) Any amount charged or collected, in lieu of a gratuity or tip, as a specifically stated service charge, when that amount is to be disbursed by a hotel, restaurant or other eating establishment to its employees as wages;  |
| 14<br>15<br>16       | (6) The amount of any tax imposed by the United States on or with respect to retail sales, whether imposed upon the retailer or the consumer, except any manufacturers', importers', alcohol or tobacco excise tax;  |
| 17<br>18<br>19<br>20 | (7) The cost of transportation from the retailer's place of business or other point from which shipment is made directly to the purchaser, provided that <u>if</u> those charges are separately stated and the transportation occurs by means of common carrier, contract carrier or the United States mail; |
| 21                   | (8) The fee imposed by Title 10, section 1169, subsection 11;  |
| 22                   | (9) The fee imposed by section 4832, subsection 1;   |
| 23<br>24             | (10) The lead-acid battery deposit imposed by Title 38, section 1604, subsection 2-B;  |
| 25<br>26<br>27<br>28 | (11) Any amount charged or collected by a person engaged in the rental of living quarters as a forfeited room deposit or cancellation fee if the prospective occupant of the living quarters cancels the reservation on or before the scheduled date of arrival;   |
| 29<br>30<br>31       | (12) The premium imposed on bulk gasoline engine and diesel engine motor vehicle oil and prepackaged motor vehicle oil by Title 10, section 1020, subsection 6-A; or   |
| 32                   | (13) Any amount charged for the disposal of used tires.  |
| 33                   | Sec. 8. Effective date. This Act takes effect October 1, 2011.   |
| 34                   | SUMMARY  |
| 35<br>36<br>37       | Under current law, motor vehicle oil, when sold in containers of more than 5 gallons, is subject to a premium of \$1.10 per gallon. Prepackaged motor oil and diesel engine motor oil are subject to a premium of 35¢ per gallon.  |

1 This bill equalizes the premiums for all motor vehicle oils at 35¢ per gallon, effective October 1, 2011.