

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

SMG
ROFS

L.D. 1610

2

Date: 4/11/12

(Filing No. H-937)

3

Reproduced and distributed under the direction of the Clerk of the House.

4

STATE OF MAINE

5

HOUSE OF REPRESENTATIVES

6

125TH LEGISLATURE

7

SECOND REGULAR SESSION

8

COMMITTEE OF CONFERENCE AMENDMENT "B" to H.P. 1219, L.D. 1610,
9 Bill, "An Act To Amend the Law Regarding the Sale of Wood Pellets"

10

Amend the bill by striking out the title and substituting the following:

11

'An Act To Amend the Law Regarding the Sale of Wood Pellets and Wood'

12

Amend the bill by striking out everything after the title and before the summary and
13 inserting the following:

14

'Emergency preamble. Whereas, acts and resolves of the Legislature do not
15 become effective until 90 days after adjournment unless enacted as emergencies; and

16

Whereas, this legislation increases the amount of wood pellets presumed to meet the
17 requirement of residential use and thus to qualify for a sales tax exemption; and

18

Whereas, this legislation clarifies the amount of wood presumed to meet the
19 requirement of residential use and thus to qualify for a sales tax exemption; and

20

Whereas, this legislation needs to be in effect for this spring season to allow citizens
21 of the State to benefit from the exemptions; and

22

Whereas, in the judgment of the Legislature, these facts create an emergency within
23 the meaning of the Constitution of Maine and require the following legislation as
24 immediately necessary for the preservation of the public peace, health and safety; now,
25 therefore,

26

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

27

Sec. 1. 36 MRSA §1760, sub-§9, as amended by PL 2009, c. 625, §7, is further
28 amended to read:

29

9. Coal, oil and wood. Coal, oil, wood and all other fuels, except gas and
30 electricity, when bought for cooking and heating in buildings designed and used for both
31 human habitation and sleeping. Kerosene or home heating oil that is prepackaged or
32 dispensed from a tank for retail sale in containers with a capacity of 5 gallons or less is
33 presumed to meet the requirements of this subsection. ~~A~~ Until September 30, 2013, a
34 purchase of ~~200~~ 1,000 pounds or less of wood pellets or of any 100% compressed wood
35 product intended for use in a wood stove or fireplace is presumed to meet the

1 requirements of this subsection. Beginning October 1, 2013, a purchase of any amount of
2 wood pellets is presumed to meet the requirements of this subsection. A purchase of less
3 than one cord of wood is presumed to meet the requirements of this subsection. For
4 purposes of this subsection, "cord" has the same meaning as in Title 10, section 2302,
5 subsection 1.

6 **Sec. 2. Suppliers of wood pellets.** The Maine State Housing Authority shall
7 amend its rules governing the awarding of contracts to suppliers of wood pellets for
8 purposes of carrying out its duties to receive, distribute and administer federal funds on
9 behalf of the State for fuel assistance pursuant to the federal Low-income Home Energy
10 Assistance Program administered through the United States Department of Health and
11 Human Services to give preference, all other factors being substantially equal, to a
12 supplier of wood pellets that is incorporated under the laws of, and has its principal place
13 of business within, a state in the United States of America.

14 **Emergency clause.** In view of the emergency cited in the preamble, this
15 legislation takes effect when approved.'

16 SUMMARY

17 This is a Committee of Conference report. This amendment incorporates all of the
18 substance of both Committee Amendment "A" and Senate Amendment "A" to Committee
19 Amendment "A" and it clarifies that the preference to United States suppliers of wood
20 pellets is given when all other factors are substantially equal. The amendment also
21 incorporates the substance of House Amendment "A" to Committee Amendment "A" and
22 sets a date of October 1, 2013 as the date when there will be no limit on the amount of
23 wood pellets that are presumed to be intended for residential use for purposes of sales tax
24 exemption.



125th MAINE LEGISLATURE

LD 1610

LR 2305(15)

An Act To Amend the Law Regarding the Sale of Wood Pellets

Fiscal Note for Bill as Amended by Committee of Conference Amendment "B"(H-937)
 Committee: Taxation
 Fiscal Note Required: Yes

Fiscal Note

	FY 2011-12	FY 2012-13	Projections FY 2013-14	Projections FY 2014-15
Net Cost (Savings)				
General Fund	\$2,375	\$19,760	\$62,899	\$80,147
Revenue				
General Fund	(\$2,375)	(\$19,760)	(\$62,899)	(\$80,147)
Other Special Revenue Funds	(\$150)	(\$1,040)	(\$3,311)	(\$4,218)

Fiscal Detail and Notes

The bill expands the sales tax exemption provided for certain purchases of fuel for residential use by raising the amount of wood pellet purchases presumed to be for residential use from 200 pounds to 1,000 pounds for purchases made on or before September 30, 2013 and extending that presumption to include all sales of wood pellets after that date. The bill also provides that purchases of up to one cord of firewood (including bundled campfire wood) are assumed to be for residential use. These changes will reduce General Fund revenues by \$2,375 in FY 2011-2012 and by \$19,760 in FY 2012-13. The reduction in General Fund revenues will be \$62,899 in FY 2013-2014 and \$80,147 in FY 2014-15.

The Maine State Housing Authority is required by rule, when carrying out its duties to receive, distribute and administer federal funds on behalf of the State for fuel assistance pursuant to the federal Low-income Home Energy Assistance Program, to give preference, all other factors being substantially equal, to United States suppliers of wood pellets. Additional costs to the Maine State Housing Authority associated with rulemaking can be absorbed within existing budgeted resources.