

# MAINE STATE LEGISLATURE

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# 130th MAINE LEGISLATURE

## FIRST SPECIAL SESSION-2021

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Legislative Document

No. 1382

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H.P. 1016

House of Representatives, April 7, 2021

### An Act To Invest in Maine's Roads and Bridges

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Received by the Clerk of the House on April 5, 2021. Referred to the Committee on Taxation pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.

A handwritten signature in cursive script that reads "R B. Hunt".

ROBERT B. HUNT  
Clerk

Presented by Representative COLLINGS of Portland.

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

2 **Sec. 1. 36 MRSA §2903, sub-§1**, as amended by PL 2019, c. 379, Pt. B, §7, is  
3 further amended to read:

4 **1. Excise tax imposed.** An excise tax is imposed on internal combustion engine fuel  
5 used or sold in this State, including sales to the State or a political subdivision of the State,  
6 at the rate of 30.0¢ per gallon until September 30, 2021, 34.0¢ per gallon from October 1,  
7 2021 to September 30, 2022, 37.0¢ per gallon from October 1, 2022 to September 30, 2023,  
8 40.0¢ per gallon from October 1, 2023 to September 30, 2024 and 42.0¢ per gallon  
9 beginning October 1, 2024, except that the rate is 3.4¢ per gallon on internal combustion  
10 engine fuel bought or used for the purpose of propelling jet or turbojet engine aircraft. Any  
11 fuel containing at least 10% internal combustion engine fuel is subject to the tax imposed  
12 by this section.

13 **Sec. 2. 36 MRSA §3203, sub-§1-B**, as amended by PL 2019, c. 379, Pt. B, §8, is  
14 further amended to read:

15 **1-B. Generally; rates.** Except as provided in section 3204-A, an excise tax is levied  
16 and imposed on all suppliers of distillates sold, on all retailers of low-energy fuel sold and  
17 on all users of special fuel used in this State for each gallon of distillate at the rate of 31.2¢  
18 per gallon until September 30, 2021, 35.2¢ per gallon from October 1, 2021 to September  
19 30, 2022, 38.2¢ per gallon from October 1, 2022 to September 30, 2023, 41.2¢ per gallon  
20 from October 1, 2023 to September 30, 2024 and 43.2¢ per gallon beginning October 1,  
21 2024. Tax rates for each gallon of low-energy fuel are based on the British Thermal Unit,  
22 referred to in this subsection as "BTU," energy content for each fuel as based on gasoline  
23 gallon equivalents or the comparable measure for distillates. The gasoline gallon  
24 equivalent is the amount of alternative fuel that equals the BTU energy content of one  
25 gallon of gasoline. For purposes of this subsection, "base rate" means the rate in effect for  
26 gasoline or diesel on July 1st of each year. A biodiesel blend containing less than 90%  
27 biodiesel fuel is subject to the rate of tax imposed on diesel.

28 A. This paragraph establishes the applicable BTU values and tax rates based on  
29 gasoline gallon equivalents.

Fuel type based on gasoline	BTU content per gallon or gasoline gallon equivalent	Tax rate formula (BTU value fuel/BTU value gasoline) x base rate gasoline
Gasoline	115,000	100% x base rate
Propane	84,500	73% x base rate
Compressed Natural Gas (CNG)	115,000	100% x base rate
Methanol	56,800	49% x base rate
Ethanol	76,000	66% x base rate
Hydrogen	115,000	100% x base rate
Hydrogen Compressed Natural Gas	115,000	100% x base rate

43 B. This paragraph establishes the applicable BTU values and tax rates based on  
44 distillate gallon equivalents.

1	Fuel type based on	BTU content per gallon or	Tax rate formula (BTU value
2	diesel	gallon equivalent	fuel/BTU value diesel) x base rate
3			diesel
4	Diesel	128,400	100% x base rate
5	Liquefied Natural	73,500	57% x base rate
6	Gas (LNG)		
7	Biodiesel	118,300	92% x base rate

8 C. The conversion factors established in this paragraph must be used in converting to  
9 gasoline gallon equivalents.

10 (1) For compressed natural gas, BTUs per 100 standard cubic feet is 93,000, and  
11 there are 123.66 standard cubic feet per gasoline gallon equivalent.

12 (2) For hydrogen, BTUs per 100 standard cubic feet is 27,000, and there are 425.93  
13 standard cubic feet per gasoline gallon equivalent.

14 (3) For hydrogen compressed natural gas, BTUs per 100 standard cubic feet is  
15 79,800, and there are 144.11 standard cubic feet per gasoline gallon equivalent.

16 **Sec. 3. 36 MRSA §5213-B** is enacted to read:

17 **§5213-B. Fuel tax fairness credit**

18 For tax years beginning on or after January 1, 2022, an individual with federal adjusted  
19 gross income lower than the federal poverty level as defined under section 6271, subsection  
20 1, paragraph B is allowed a refundable credit of \$100 against the taxes imposed under this  
21 Part.

22 **SUMMARY**

23 This bill increases fuel taxes by 4¢ per gallon beginning October 1, 2021, an additional  
24 3¢ per gallon beginning October 1, 2022, an additional 3¢ per gallon beginning October 1,  
25 2023 and an additional 2¢ per gallon beginning October 1, 2024. The bill also establishes  
26 a refundable income tax credit for individuals with federal adjusted gross income that is  
27 lower than the federal poverty level.