

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

An Act To Repeal the Automatic Increase in the Gasoline Tax

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

Sec. 1. 36 MRSA §2903, sub-§1, as amended by PL 2001, c. 688, §1, is further amended to read:

1. Excise tax imposed. An excise tax is imposed on internal combustion engine fuel used or sold within this State, including sales to the State or a political subdivision of the State, at the rate of ~~22¢~~26.8¢ per gallon, except that the rate is 3.4¢ per gallon on internal combustion engine fuel, as defined in section 2902, bought or used for the purpose of propelling jet or turbojet engine aircraft. ~~The tax rate provided by this section is subject to annual inflation adjustment pursuant to section 3321 except with respect to the tax imposed upon fuel bought or used for the purpose of propelling jet or turbojet engine aircraft.~~

Sec. 2. 36 MRSA §3203, sub-§1, as amended by PL 2001, c. 688, §5, is further amended to read:

1. Generally. Except as provided in section 3204-A, an excise tax is levied and imposed on all suppliers of distillates sold, on all retailers of low-energy fuel sold and on all users of special fuel used in this State for each gallon of distillate at the rate of ~~23¢~~26.3¢ per gallon and for each gallon of low-energy fuel based on the British Thermal Unit, referred to in this subsection as "BTU," energy content for each fuel as compared to gasoline. ~~In the case of distillates, the tax rate provided by this section is subject to annual inflation adjustment pursuant to section 3321.~~ Applicable BTU values are as follows.

Fuel type	BTU content per gallon	Formula (BTU value fuel/BTU value gasoline) x tax rate gasoline	Tax rate
Gasoline	115,000	100% x 22¢ <u>26.8¢</u>	22¢ <u>26.8¢</u> per gallon as authorized in section 2903
Methanol (M85)	65,530	57% x 22¢ <u>26.8¢</u>	12.5¢ <u>15.2¢</u> per gallon
Ethanol (E85)	81,850	71% x 22¢ <u>26.8¢</u>	15.6¢ <u>18.9¢</u> per gallon
Propane	84,500	73% x 22¢ <u>26.8¢</u>	16¢ <u>19.4¢</u> per gallon
Compressed Natural Gas	SP0033, LR 560, item 1, First Regular Session - 123rd Legislature, page 1	87% x 22¢ <u>26.8¢</u>	19.1¢ <u>23.2¢</u> per 100 standard cubic feet

SUMMARY

This bill repeals the annual inflation indexing of the excise tax on motor fuel. The bill also amends the relevant statutes to reflect the current rate of tax as changed by inflation indexing.