



126th MAINE LEGISLATURE

LD 631

LR 414(01)

An Act To Change the Taxes on Fuel Purchased for Use Other Than on the Highways

Preliminary Fiscal Impact Statement for Original Bill

Sponsor: Sen. Jackson of Aroostook

Committee: Taxation

Fiscal Note Required: Yes

Preliminary Fiscal Impact Statement

Potential current biennium revenue decrease - General Fund

Potential current biennium revenue decrease - Highway Fund

Fiscal Detail and Notes

Changing the taxes assessed on fuel purchased for use other than for vehicles used on the highways of the State from 1 cent per gallon plus a use tax of 5% to 5 cents a gallon with no use tax could potentially reduce General Fund and Highway Fund revenues due to the impact of eliminating the use tax. A bill introduced in the 125th Legislature that essentially proposed the same tax change for commercial fishing, forestry and agriculture identified the reduction in annual revenue in the General Fund at approximately \$1,500,000 and in the Highway Fund at an estimated \$300,000.