

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 Provide a Tax Credit to Certain Heating Fuel Contract Consumers

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

Sec. 1. 36 MRSA §5219-DD is enacted to read:

§ 5219-DD. Credit for heating fuel contract loss

1. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Average price of heating fuel" means the price of heating fuel for the taxable year as determined by the Governor's Office of Energy Independence and Security.

B. "Contract loss" means the difference between the price per gallon for heating fuel as set in a heating fuel contract and the average price of heating fuel actually delivered to the person pursuant to a heating fuel contract if the average price of the heating fuel decreases to a lesser price after the parties have entered into the heating fuel contract.

C. "Heating fuel" means oil or propane used for the heating of a residence or business.

D. "Heating fuel contract" means a contract between a heating fuel supplier and a person in which the person agrees to pay a set amount for heating fuel supplied to that person for at least 6 months but no more than 12 months.

E. "Heating fuel supplier" means a person licensed as a business in this State that supplies heating fuel to another business or residence.

2. Credit allowed. A taxpayer is allowed a credit against the tax imposed by this Part for each taxable year equal to the contract loss incurred for that taxable year.

3. Limitation; carry-over. The credit provided by this section may not reduce the tax otherwise due under this Part below zero. Any unused portion of the credit may be carried over to the following year or years until exhausted.

Sec. 2. Application. This Act applies to tax years beginning on or after January 1, 2009.

SUMMARY

This bill allows a person who enters into a contract for the supply of heating fuel at a locked-in price for at least 6 months but no more than 12 months to obtain an income tax credit for the excess

cost of that heating fuel if the average actual price of that heating fuel decreases after the parties enter into the contract.