

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

Amend the bill by striking out everything after the enacting clause and before the summary and inserting the following:

Sec. 1. 36 MRSA §2902, sub-§7 is enacted to read:

7. Net gallons. "Net gallons" means the amount of internal combustion engine fuel measured in gallons when adjusted to a temperature of 60 degrees Fahrenheit and a pressure of 14.7 pounds per square inch.

Sec. 2. 36 MRSA §2906, sub-§3, as amended by PL 2013, c. 381, Pt. B, §32, is further amended to read:

3. Allowance for certain losses. An allowance of not more than 1/2 of 1% from the amount of internal combustion engine fuel received by a licensed distributor, plus 1/2 of 1% on all transfers in vessels, tank cars or full tank vehicle loads by a licensed distributor in the regular course of the licensed distributor's business from one of the licensed distributor's places of business to another within the State, may be granted by the assessor to cover losses sustained by the licensed distributor through shrinkage, evaporation or handling. The total allowance for these losses must be supported by documentation satisfactory to the assessor and may not exceed 1% of the receipts by the licensed distributor. The allowance must be calculated on an annual basis. A further deduction may not be allowed unless the assessor is satisfied upon definite proof submitted to the assessor that a further deduction should be allowed for a loss sustained through fire, accident or some unavoidable calamity. If a licensed distributor elects to account for fuel using net gallons, the allowance under this subsection is not applicable to shrinkage caused by temperature variation.

Sec. 3. 36 MRSA §3202, sub-§4-A is enacted to read:

4-A. Net gallons. "Net gallons" means the amount of special fuel measured in gallons when adjusted to a temperature of 60 degrees Fahrenheit and a pressure of 14.7 pounds per square inch.

Sec. 4. 36 MRSA §3203, sub-§5, as amended by PL 2013, c. 381, Pt. B, §33, is further amended to read:

5. Allowance for certain losses of undyed distillates. An allowance of not more than 1/4 of 1% from the amount of undyed distillates received by a licensed supplier, plus 1/4 of 1% on all transfers in vessels, tank cars or full tank vehicle loads by the licensed supplier in the regular course of business from one of the licensed supplier's places of business to another of the licensed supplier's places of business within the State, may be allowed by the assessor to cover the loss through shrinkage, evaporation or handling sustained by the licensed supplier. The total allowance for these losses must be supported by documentation satisfactory to the assessor and may not exceed 1/2 of 1% of the receipts by the licensed supplier. The allowance must be calculated on an annual basis. A further deduction may not be allowed unless the assessor is satisfied upon definite proof submitted to the assessor that a further

deduction should be allowed for a loss sustained through fire, accident or some unavoidable calamity. If a licensed supplier elects to account for fuel using net gallons, the allowance under this subsection is not applicable to shrinkage caused by temperature variation.

Sec. 5. Application. This Act applies to tax returns filed for calendar year 2015 and after.’

SUMMARY

This amendment replaces the bill and provides that, for tax returns filed beginning with calendar year 2015, a licensed distributor that accounts for taxes on internal combustion engine fuel, or a licensed supplier of special fuel that accounts for taxes on special fuel, on a net gallons basis that takes temperature into account is not allowed to use the allowance for shrinkage caused by temperature variation. An allowance may still be used for evaporation and handling losses.

FISCAL NOTE REQUIRED

(See attached)