

OFFICE OF FISCAL AND PROGRAM REVIEW

Date: April 2, 2013
To: Members, Joint Standing Committee on Taxation
From: Elizabeth Cooper, Legislative Analyst
Re: Final Amendment Review – LD 631

An amendment and fiscal note for LD 631 are attached for your review.

LD 631, "An Act To Change the Taxes on Fuel Purchased for Use Other Than on the Highways"

The Committee voted on March 18, 2013, and had a divided report of ONTP/OTPA.

- The amendment is a technical change and clarifies that no tax on sales, storage or use may be collected on fuel purchased for use other than on highways if a person has received a certain refund of gasoline or special fuel tax.
- The fiscal note projects a decrease in General Fund revenue of \$1.3 million in FY 14 and \$1.5 million in FY 15; it estimates that Highway Fund revenue will increase by \$285,802 in FY 14 and \$336,237 in FY15 and that revenue for certain Other Special Revenue Funds and the TransCapTrust Fund will increase as well.

Please let me know if you have any questions or concerns about this amendment.

March 19, 2013

CONFIDENTIAL?: No

Committee: Taxation
LA: Elizabeth Cooper
File Name:j:\ofpr\bill drafts for revisor 126th\0414(02).docx
LR (item)#:0414(02)
New Title?: No
Add Emergency? No:

COMMITTEE AMENDMENT TO
LD 631, An Act To Change the Taxes on Fuel Purchased for Use Other Than on the Highways

Amend the bill by inserting after the enacting clause and before Section 1 the following:

Sec. ____ . 36 MRSA §1760, sub-§8, ¶A, as amended by PL 2011, c. 548, §16 is further amended to read:

A. Motor fuels upon which a tax at the maximum rate for highway use pursuant to Part 5 or a comparable tax of another state or a province of Canada has been paid except as provided by paragraph E;

Sec. ____ . 36 MRSA §1760, sub-§8, ¶E, is enacted to read

E. Internal combustion engine fuel or special fuel for which a person has received a refund under section 2908 and 3218.

Amend the bill by relettering or renumbering any nonconsecutive of the Act to read consecutively.

SUMMARY

This amendment clarifies that no tax on sales, storage or use may be collected upon or in connection with internal combustion engine fuel or special fuel for which a person has received a refund under section 2908 and 3218.



126th MAINE LEGISLATURE

LD 631

LR 414(02)

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

Fiscal Note for Bill as Amended by Committee Amendment " "

Committee: Taxation

Fiscal Note Required: Yes

Fiscal Note

	FY 2013-14	FY 2014-15	Projections FY 2015-16	Projections FY 2016-17
Net Cost (Savings)				
General Fund	\$1,291,977	\$1,519,973	\$1,519,973	\$1,519,973
Highway Fund	(\$285,802)	(\$336,237)	(\$336,237)	(\$336,237)
Revenue				
General Fund	(\$1,291,977)	(\$1,519,973)	(\$1,519,973)	(\$1,519,973)
Highway Fund	\$285,802	\$336,237	\$336,237	\$336,237
Other Special Revenue Funds	(\$44,425)	(\$52,265)	(\$52,265)	(\$52,265)

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 will reduce General Fund revenue by \$1,291,977 in fiscal year 2013-14 and \$ 1,519,973 in fiscal year 2014-15.

The bill will also increase Highway Fund revenue by \$285,802 in fiscal year 2013-14 and \$336,237 in fiscal year 2014-15. It will also increase Other Special Revenue Funds revenue within the Departments of Agriculture, Conservation and Forestry, Inland Fisheries and Wildlife and Marine Resources, as well as the TransCap Trust Fund within the Maine Municipal Bond Bank, for their portions of fuel tax receipts.