

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 Further Maine's Energy Independence

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

Sec. A-1. 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¢ per gallon, except that the rate for distillates containing 2% or more of biodiesel fuel by volume is 20¢ 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 reate gasoline	Tax Rate
Gasoline	115,000	100% x 22¢	22¢ per gallon as authorized in section 2903
Methanol (M85)	65,530	57% x 22¢	12.5¢ per gallon
Ethanol (E85)	81,850	71% x 22¢	15.6¢ per gallon
Propane	84,500	73% x 22¢	16¢ per gallon
Compressed Natural Gas	100,000 (BTU per 100 standard cubic feet)	87% x 22¢	19.1¢ per 100 standard cubic feet

Sec. A-2. Appropriations and allocations. The following appropriations and allocations are made.

TRANSPORTATION, DEPARTMENT OF

Maine Highway Fund - Department of Transportation

Initiative: Reimburses the Highway Fund for revenues lost due to the reduction in the excise tax levied and imposed on distillates containing 2% or more of biodiesel fuel.

GENERAL FUND	2005-06	2006-07
All Other	\$0	\$20,000
GENERAL FUND TOTAL	\$0	\$20,000

Sec. B-1. 35-A MRS §3212, sub-§4-A, as enacted by PL 2003, c. 665, §2, is repealed.

4-A.

Sec. B-2. 35-A MRSA §3212, sub-§4-B is enacted to read:

4-B. Demand side resources. The commission may incorporate cost-effective energy conservation and energy efficiency into the supply of standard offer service.