



129th MAINE LEGISLATURE

FIRST REGULAR SESSION-2019

Legislative Document

No. 466

H.P. 350

House of Representatives, January 29, 2019

An Act To Create a Diesel Fuel Tax Differential

Reference to the Committee on Transportation suggested and ordered printed.

A handwritten signature in cursive script that reads "R B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative TEPLER of Topsham.
Cosponsored by Senator CHIPMAN of Cumberland and
Representatives: COLLINGS of Portland, McLEAN of Gorham, NEWELL of the
Passamaquoddy Tribe, SHEATS of Auburn.

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

2 **Sec. 1. 36 MRSA §3203, sub-§1-C** is enacted to read:

3 **1-C. Diesel fuel tax differential.** In addition to the tax imposed on diesel fuel under
4 subsection 1-B, beginning November 1, 2019, an additional excise tax of 5¢ per gallon is
5 imposed on all diesel fuel sold or used in this State. This subsection is repealed
6 November 1, 2022.

7 **Sec. 2. 36 MRSA §3203, sub-§4-A** is enacted to read:

8 **4-A. Diesel fuel tax differential accounting; report.** Taxes collected under
9 subsection 1-C and credited to the Highway Fund under subsection 4 must be separately
10 accounted for and deposited into a special account within the Highway Fund that may be
11 used only for the construction, reconstruction, maintenance and repair of public highways
12 and bridges.

13 **Sec. 3. 36 MRSA §3203-C**, as amended by PL 2009, c. 652, Pt. B, §8 and
14 affected by §9, is further amended to read:

15 **§3203-C. Inventory tax**

16 On the date that any increase in the rate of tax imposed under this chapter takes
17 effect, an inventory tax is imposed upon all distillates that are held in inventory by a
18 supplier, wholesaler or retail dealer as of the end of the day prior to that date on which the
19 tax imposed by section 3203, ~~subsection~~ subsections 1-B and 1-C has been paid. The
20 inventory tax is computed by multiplying the number of gallons of tax-paid fuel held in
21 inventory by the difference between the tax rate already paid and the new tax rate.
22 Suppliers, wholesalers and retail dealers that hold such tax-paid inventory shall make
23 payment of the inventory tax on or before the 15th day of the next calendar month,
24 accompanied by a form prescribed and furnished by the State Tax Assessor. In the event
25 of a decrease in the tax rate, the supplier, wholesaler or retail dealer is entitled to a refund
26 or credit, which must be claimed on a form designed and furnished by the assessor.

27 **Sec. 4. Report; legislation.** The Commissioner of Transportation shall submit a
28 report to the joint standing committee of the Legislature having jurisdiction over
29 transportation matters by March 1, 2022 identifying the amount of revenue collected
30 under subsection 1-C and the purposes for which the revenue was or will be used. The
31 committee may submit legislation to the Second Regular Session of the 130th Legislature
32 to retain, repeal or amend provisions relating to the diesel fuel tax differential.

33 **SUMMARY**

34 This bill imposes an additional 5¢ per gallon fuel tax on diesel fuel and requires that
35 revenue from the tax be used only for construction, reconstruction, maintenance and
36 repair of public highways and bridges. The additional tax is repealed on November 1,
37 2022. The Commissioner of Transportation is required to submit a report to the joint
38 standing committee of the Legislature having jurisdiction over transportation matters by

1 March 1, 2022 identifying the amount of revenue collected and the purposes for which
2 the revenue was or will be used. The committee is authorized to submit legislation to the
3 Second Regular Session of the 130th Legislature to retain, repeal or amend provisions
4 relating to the diesel fuel tax differential.