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An Act To Exempt from Gasoline Tax at the Time of Sale Fuel Used for Off-road Commercial Uses

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

Sec. 1. 36 MRSA §2908-A is enacted to read:

§ 2908-A. Exemption for off-road use

1. Exemption. A person who purchases and uses internal combustion engine fuel for any commercial use other than in the operation of a registered motor vehicle on the highways of this State or, except as provided in section 2910, in the operation of an aircraft is exempt from the tax imposed by this chapter on that fuel, subject to the requirements of this section. All fuel that qualifies for an exemption under this section is subject to the use tax imposed by chapter 215.

2. Certificate; reporting. In order to obtain the exemption under subsection 1, a person must obtain an exemption certificate from the State Tax Assessor. The person must present a sworn statement to the assessor stating:

- A. The number of gallons of fuel purchased in the prior calendar year and used for commercial off-road uses;
- B. The number of gallons of fuel anticipated to be purchased and used for commercial off-road uses in the calendar year for which the exemption is being claimed;
- C. That the exempt fuel will be used only for commercial off-road uses; and
- D. That the exempt fuel will be dyed in accordance with subsection 3.

The assessor shall provide forms for the purpose of this subsection and may require additional evidence necessary to verify the amount specified in paragraph A or B before issuing a certificate to the person. Based on the information provided, the assessor shall state on the certificate the number of gallons of exempt fuel the person is entitled to purchase in the calendar year covered by the certificate.

3. Purchase and dyeing of fuel. A person must present the certificate obtained from the assessor under subsection 2 to a motor fuel retailer in order to obtain the exemption under this section. As soon as practicable, and prior to any use in any vehicle, the person shall dye the fuel.

4. Rulemaking. The State Tax Assessor shall adopt routine technical rules, as defined in Title 5, chapter 375, subchapter 2-A, to implement the provisions of this section.

5. Refund. A person who pays the tax imposed under this chapter on fuel for commercial off-road use who qualifies for an exemption from that tax must file for a refund of the tax paid pursuant to section 2908.

Sec. 2. Effective date. This Act takes effect October 1, 2008.

SUMMARY

Current law provides an exemption from the fuel tax for fuel used for commercial purposes, including off-road purposes. In order to obtain the exemption, the person must file with the State Tax Assessor for a refund of the tax, less 1¢ per gallon.

This bill allows a person who purchases and uses fuel for commercial off-road uses to obtain a certificate from the State Tax Assessor that allows the person to purchase the fuel from a retailer without paying the tax at the time of purchase. Following purchase, the person must dye the tax-exempt fuel.