

# MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND NINTH LEGISLATURE

**Legislative Document**

**No. 102**

H. P. 90

House of Representatives, January 17, 1979

Referred to the Committee on Taxation. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Mr. Maxwell of Jay.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
SEVENTY-NINE

**AN ACT to Decrease the Sales and Use Tax from 5% to 4%.**

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

**Sec. 1.** 36 MRSA § 1811, **first sentence**, as amended by PL 1977, c. 198, § 6, is further amended to read:

A tax is imposed at the rate of ~~5%~~ 4% on the value of all tangible personal property and telephone and telegraph service sold at retail in this State, and upon the rental charged for living quarters in hotels, rooming houses, tourist or trailer camps and the rental charged for automobiles rented on a short-term basis, other than a rental charged to a person engaged in the business of renting automobiles, measured by the sale price, except as in chapters 211 to 225 provided.

**Sec. 2.** 36 MRSA § 1812, **first 2 paragraphs**, as last repealed and replaced by PL 1969, c. 295, § 3, are repealed and the following enacted in their place:

**Every retailer shall add the sales tax imposed by chapters 211 to 225, or the average equivalent of the tax, to his sale price, except as otherwise provided, and when added the tax shall constitute a part of the price, shall be a debt of the purchaser to the retailer until paid and shall be recoverable at law in the same manner as the purchase price. When the sale price shall involve a fraction of a dollar, the tax shall be added to the sale price upon the following schedules:**

<b>Amount of Sale Price</b>	<b>Amount of Tax</b>
<b>\$0.01 to \$0.10, inclusive</b>	<b>0¢</b>
<b>.11 to .25, inclusive</b>	<b>1¢</b>
<b>.26 to .50, inclusive</b>	<b>2¢</b>
<b>.51 to .75, inclusive</b>	<b>3¢</b>
<b>.76 to .99, inclusive</b>	<b>4¢</b>

**When the sale price exceeds 99¢, the tax to be added to the price shall be 4¢ for each whole dollar, plus the amount indicated above for each fractional part of a dollar.**

**Sec. 3. 36 MRSA § 1861, first sentence,** as last amended by PL 1969, c. 295, § 4, is further amended to read:

A tax is imposed on the storage, use or other consumption in this State of tangible personal property, purchased at retail sale, at the rate of ~~5%~~ 4% of the sale price.

**Sec. 4. Effective date.** This Act shall take effect July 1, 1980.

#### STATEMENT OF FACT

This bill decreases the sales tax from 5% to 4% and the use tax from 5% to 4%. These decreases will be delayed until the beginning of the 1980-81 fiscal year in order to provide for a smooth transition to the lower rate.