

L.D. 422

| 2 | DATE: 5-3-99 | (Filing No. H-393) | |
|----|--|-----------------------------|--|
| 4 | MAJORIT | | |
| 6 | TAXATION | <u>'</u> | |
| 8 | | | |
| 10 | Reproduced and distributed under the other the | direction of the Clerk of | |
| 12 | STATE OF MAIN | NE | |
| 14 | HOUSE OF REPRESENTATIVES 119TH LEGISLATURE | | |
| 16 | FIRST REGULAR SE | SSION | |
| 18 | COMMITTEE AMENDMENT "H" to H.P. | 306, L.D. 422, Bill, "An | |
| 20 | Act to Amend the Laws Regarding when A Tax" | Merchant Must Remit Sales | |
| 22 | Amend the bill in section 1 in tha | at part designated "§1952." | |
| 24 | by striking out all of subsection 2 (page 1, lines 17 to 31 in L.D.) and inserting in its place the following: | | |
| 26 | '2. Construction trades. Notwi | ithstanding subsection 1, | |
| 28 | retailers of finished lumber who sell to a person authorized to file a lien | tangible personal property | |
| 30 | to Title 10, section 3251 may be permit by this Part on a cash basis upon app | ted to remit taxes imposed | |
| 32 | If the retailer elects this method of p payable at the time payment is received | | |
| 34 | payments are received, taxes are due o the time the payments are received by | the retailer. Assignment | |
| 36 | of the outstanding receivable of a reta for purposes of this subsection. In an | | |
| 38 | <u>a sale no later than 6 months after de: equipment that are sold.</u> ' | livery of the materials or | |
| 40 | Further amend the bill by inserti | ing at the end before the | |
| 42 | summary the following: | - | |
| 44 | 'FISCAL NOTE | Ξ | |
| 46 | | 1999-00 2000-01 | |
| 48 | REVENUES | | |
| 50 | | | |

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COMMITTEE AMENDMENT

COMMITTEE AMENDMENT "H" to H.P. 306, L.D. 422

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| General Fund | (\$1,578,387) | (\$63,135) |
|--------------|---------------|------------|
| Other Funds | (84,824) | (3,393) |

The sales tax change for certain lumber sales will decrease sales and use tax collections by \$1,663,211 in fiscal year 1999-00 and \$66,528 in fiscal year 2000-01 as a result of the shift of collections between fiscal years. The reduction of these tax collections will decrease the amounts transferred to the Local Government Fund for state-municipal revenue sharing in those years by \$84,824 and \$3,393, respectively. The resulting net reductions of General Fund revenue will be \$1,578,387 in fiscal year 1999-00 and \$63,135 in fiscal year 2000-01.

14 The Bureau of Revenue Services will incur some minor additional costs to implement this sales and use tax change.
16 These costs can be absorbed within the bureau's existing budgeted resources.'

SUMMARY

22 This amendment is the majority report. It provides that the ability to pay on a cash basis applies to a retailer who sells tangible personal property to a person engaged in the construction trades, requires the retailer to apply to the State Tax Assessor and limits the period of cash basis treatment to 6 months.

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COMMITTEE AMENDMENT