

MAINE STATE LEGISLATURE

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121st MAINE LEGISLATURE

FIRST REGULAR SESSION-2003

Legislative Document

No. 613

S.P. 222

In Senate, February 11, 2003

**An Act To Allow Vendors to Retain a Portion of Sales Tax They
Collect to Cover Costs**

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator LEMONT of York.

Cosponsored by Representatives: ANDREWS of York, BROWN of South Berwick, LEWIN of Eliot, PERRY of Bangor.

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

4 **Sec. 1. 36 MRSA §1754-B, sub-§4** is enacted to read:

6 4. Collection allowance. A person that is required to
8 register pursuant to this section and that collects and remits
10 taxes in accordance with the provisions of this Part may deduct
12 and retain a portion of those taxes as a collection allowance for
14 the purpose of reimbursing that person for collecting taxes,
16 keeping records, preparing and filing returns, remitting taxes
18 and supplying data to Maine Revenue Services on request.

20 A. A collection allowance deducted and retained by a person
22 pursuant to this subsection may equal up to 1% of the taxes
24 collected by that person during the reporting period but may
26 not exceed \$50 per month per business. If a business
28 registered pursuant to this section has more than one
30 location, only one of the affiliated businesses may qualify
32 for the collection allowance. For purposes of this
34 paragraph, "affiliated businesses" are those owned by the
same person or entity.

B. The collection allowance does not apply to taxes
collected by a state, county or municipal agency.

SUMMARY

This bill permits persons that are required to register under Maine's sales and use tax law to deduct and retain an amount equal to up to 1% of the sales and use taxes they collect, but not exceeding \$50 per month, as reimbursement for the expenses they incur in the collection of sales and use taxes on behalf of the State.