

# MAINE STATE LEGISLATURE

The following document is provided by the  
**LAW AND LEGISLATIVE DIGITAL LIBRARY**  
at the Maine State Law and Legislative Reference Library  
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied  
(searchable text may contain some errors and/or omissions)

L.D. 1891

DATE: 1-4-06 (Filing No. S-431)

Reproduced and distributed under the direction of the Secretary of the Senate.

STATE OF MAINE  
SENATE  
122ND LEGISLATURE  
SECOND REGULAR SESSION

SENATE AMENDMENT **B** to H.P. 1332, L.D. 1891, Bill, "An Act To Provide Funding for the Low Income Home Energy Assistance Program"

Amend the bill by striking out the title and substituting the following:

**'An Act To Provide Funding for the Low Income Home Energy Assistance Program and Provide Heating Assistance to Small Businesses'**

Further amend the bill by inserting after the enacting clause and before section 1 the following:

**'Sec. 1. 36 MRSA §1811, first ¶, as amended by PL 2001, c. 439, Pt. TTTT, §2 and affected by §3, is further amended to read:**

A tax is imposed on the value of all tangible personal property and taxable services sold at retail in this State. The rate of tax is 7% on the value of liquor sold in licensed establishments as defined in Title 28-A, section 2, subsection 15, in accordance with Title 28-A, chapter 43; 7% on the value of rental of living quarters in any hotel, rooming house or tourist or trailer camp; 10% on the value of rental for a period of less than one year of an automobile; 7% on the value of prepared food; beginning March 1, 2006, 2.5% on the value of fuel purchased to heat a business that is not a manufacturing facility and that has no more than 50,000 square feet of space and employs 3 or more employees; and 5% on the value of all other tangible personal property and taxable services. Value is measured by the sale price, except as otherwise provided.'

Further amend the bill in section 2 in the 2nd line (page 1, line 29 in L.D.) by striking out the following: "section 3" and inserting in its place the following: 'this Act'

**SENATE AMENDMENT**

1008

2 Further amend the bill by striking out all of section 3 and  
3 inserting in its place the following:

4  
5 **'Sec. 3. Dedicated fund.** Notwithstanding any other provision  
6 of law to the contrary, the first \$5,000,000 of taxes collected  
7 for the state fiscal year ending June 30, 2006 on the sale of  
8 fuel purchased for heating by businesses of any size must be  
9 dedicated and transferred to the Low Income Home Energy  
10 Assistance Program dedicated fund pursuant to section 4.

11  
12 **Sec. 4. Transfer of funds; Low Income Home Energy Assistance**  
13 **Program Dedicated Fund.** Notwithstanding any other provision of  
14 law to the contrary, the State Controller shall transfer  
15 \$5,000,000 from the General Fund undedicated revenue to the Low  
16 Income Home Energy Assistance Program dedicated fund on or before  
17 January 15, 2006. The transfer pursuant to this section is made  
18 after the calculation of the transfer to the Local Government  
19 Fund pursuant to the Maine Revised Statutes, Title 30-A, section  
20 5681.

21  
22 **Sec. 5. Appropriations and allocations.** The following  
23 appropriations and allocations are made.

24 **MAINE STATE HOUSING AUTHORITY**

25  
26 **Low Income Home Energy Assistance - MSHA 0708**

27  
28 Initiative: Provides funding for the Low Income Home Energy  
29 Assistance Program.

30	<b>OTHER SPECIAL REVENUE FUNDS</b>	<b>2005-06</b>	<b>2006-07</b>
31	All Other	\$5,000,000	\$0
32		<hr/>	<hr/>
33	<b>OTHER SPECIAL REVENUE FUNDS TOTAL</b>	<b>\$5,000,000</b>	<b>\$0</b>

34  
35  
36 **Sec. 6. Appropriations and allocations.** The following  
37 appropriations and allocations are made.

38  
39 **ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF**

40  
41 **Maine Revenue Services 0002**

42  
43 Initiative: Provides one-time funds for the additional printing  
44 and mailing costs associated with the change in the tax rate and  
45 to modify the return form.

46	<b>GENERAL FUND</b>	<b>2005-06</b>	<b>2006-07</b>
47	All Other	\$20,000	\$0
48		<hr/>	<hr/>

1008

SENATE AMENDMENT "B" to H.P. 1332, L.D. 1891

GENERAL FUND TOTAL \$20,000 \$0'

2  
4  
6  
8  
10  
12  
14  
16  
18  
20  
22  
24  
26  
28  
30  
32  
34  
36

Further amend the bill by relettering or renumbering any nonconsecutive Part letter or section number to read consecutively.

SUMMARY

This amendment identifies the source of the funding provided by the bill to the Low Income Home Energy Assistance Program. Under this amendment, the first \$5,000,000 of taxes collected for the state fiscal year ending June 30, 2006 on the sale of fuel purchased for heating by businesses of any size must be placed in a special dedicated fund.

In addition, this amendment provides heating assistance to small businesses by reducing from 5% to 2.5% the sales tax imposed on fuel purchased to heat a business if that business has not more than 50,000 square feet of space and employs 3 or more employees.

In addition, this amendment also includes a one-time General Fund appropriation of \$20,000 in fiscal year 2005-06 for Maine Revenue Services for the additional administrative costs associated with the change in the tax rate.

SPONSORED BY: *Jonathan TE Corey*  
(Senator COURTNEY)  
COUNTY: York

FISCAL NOTE REQUIRED  
(See attached)

SENATE AMENDMENT



# 122nd MAINE LEGISLATURE

LD 1891

LR 3064(04)

## An Act To Provide Funding for the Low Income Home Energy Assistance Program

Fiscal Note for Senate Amendment "B"

Sponsor: Sen Courtney

Fiscal Note Required: Yes

### Fiscal Note

	2005-06	2006-07	Projections 2007-08	Projections 2008-09
<b>Net Cost (Savings)</b>				
General Fund	\$1,233,676	\$4,398,615	\$4,481,860	\$4,571,497
<b>Appropriations/Allocations</b>				
General Fund	(\$4,980,000)	\$0	\$0	\$0
Other Special Revenue Funds	\$5,000,000	\$0	\$0	\$0
<b>Revenue</b>				
General Fund	(\$6,213,676)	(\$4,398,615)	(\$4,481,860)	(\$4,571,497)
Other Special Revenue Funds	(\$65,224)	(\$236,385)	(\$245,840)	(\$250,757)

### Fiscal Detail and Notes

Reducing the sales tax from 5% to 2.5% on fuel purchased for heating a business of no more than 50,000 square feet employing 3 or more people is expected to decrease General Fund revenue by \$1,213,676 in fiscal year 2005-06 and \$4,398,615 in fiscal year 2006-07. This amendment removes the \$5,000,000 General Fund appropriation and provides an Other Special Revenue Funds allocation of \$5,000,000 which will be made available through a transfer of General Fund undedicated revenue. This amendment also includes a one-time General Fund appropriation of \$20,000 in fiscal year 2005-06 for Maine Revenue Services for the additional administrative costs associated with the change in the tax rate.