

MAINE STATE LEGISLATURE

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2 Date: 6/16/25

(Filing No. H-741)

MINORITY

TAXATION

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5 STATE OF MAINE
6 HOUSE OF REPRESENTATIVES
7 132ND LEGISLATURE
8 FIRST SPECIAL SESSION

9 COMMITTEE AMENDMENT "A" to H.P. 699, L.D. 1077, "An Act to Exempt
10 Drinking Water from Sales and Use Tax"

11 Amend the bill by striking out everything after the enacting clause and inserting the
12 following:

13 'Sec. 1. 36 MRSA §1752, sub-§1-K is enacted to read:

14 1-K. Bottled water. "Bottled water" means water intended for human consumption
15 that is placed in a container, does not have any calories and does not contain sweeteners or
16 other additives.

17 Sec. 2. 36 MRSA §1752, sub-§3-B, ¶C, as enacted by PL 2015, c. 267, Pt. OOOO,
18 §2 and affected by §7, is amended to read:

19 C. Water, ~~including mineral~~ except for bottled water but including mineral and
20 carbonated waters and ice;

21 Sec. 3. 36 MRSA §1752, sub-§3-B, as amended by PL 2019, c. 231, Pt. A, §§5
22 and 6 and PL 2021, c. 669, §5, is further amended by amending the 2nd blocked paragraph
23 to read:

24 "Grocery staples" includes bottled water, bread and bread products, jam, jelly, pickles,
25 honey, condiments, maple syrup, spaghetti sauce or salad dressing when packaged as a
26 separate item for retail sale.

27 Sec. 4. Effective date. This Act takes effect January 1, 2026.'

28 Amend the bill by relettering or renumbering any nonconsecutive Part letter or section
29 number to read consecutively.

COMMITTEE AMENDMENT

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COMMITTEE AMENDMENT "A" to H.P. 699, L.D. 1077

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SUMMARY

This amendment includes bottled water as a grocery staple to exempt it from the sales and use tax as long as it is placed in a container, is intended for human consumption, is calorie-free and does not contain sweeteners or other additives.

FISCAL NOTE REQUIRED

(See attached)

**132nd MAINE LEGISLATURE****LD 1077****LR 1538(02)****An Act to Exempt Drinking Water from Sales and Use Tax****Fiscal Note for Bill as Amended by Committee Amendment 'A' (H-741)****Committee: Taxation****Fiscal Note Required: Yes**

Fiscal Note

	FY 2025-26	FY 2026-27	Projections FY 2027-28	Projections FY 2028-29
Net Cost (Savings)				
General Fund	\$2,424,000	\$5,913,000	\$6,118,000	\$6,348,000
Revenue				
General Fund	(\$2,424,000)	(\$5,913,000)	(\$6,118,000)	(\$6,348,000)
Other Special Revenue Funds	(\$101,000)	(\$310,000)	(\$321,000)	(\$333,000)

Fiscal Detail and Notes

This bill would result in a revenue decrease to the General Fund of \$2,424,000 in fiscal year 2025-26 and \$5,913,000 in fiscal year 2026-27 by providing sales and use tax exemptions on sales of bottled water effective January 1, 2026. The bill would also result in a revenue decrease to the Local Government Fund of \$101,000 in fiscal year 2025-26 and \$310,000 in fiscal year 2026-27.