

MAINE STATE LEGISLATURE

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L.D. 1505

Date: 6/6/25

(Filing No. H-552)

MINORITY

TAXATION

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
132ND LEGISLATURE
FIRST SPECIAL SESSION

COMMITTEE AMENDMENT "A" to H.P. 989, L.D. 1505, "An Act to Phase out the Sales and Use Tax"

Amend the bill by inserting after section 1 the following:

'Sec. 2. Appropriations and allocations. The following appropriations and allocations are made.

**ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF
Revenue Services, Bureau of 0002**

Initiative: Provides one-time funding for computer programming costs.

GENERAL FUND	2025-26	2026-27
All Other	\$5,300	\$0
GENERAL FUND TOTAL	<u>\$5,300</u>	<u>\$0</u>

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

SUMMARY

This amendment adds an appropriations and allocations section.

FISCAL NOTE REQUIRED
(See attached)

COMMITTEE AMENDMENT

**132nd MAINE LEGISLATURE****LD 1505****LR 465(02)****An Act to Phase out the Sales and Use Tax**

Fiscal Note for Bill as Amended by Committee Amendment "A" (H-552)
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	\$86,809,998	\$185,354,607	\$276,180,561	\$379,650,890
Appropriations/Allocations				
General Fund	\$5,300	\$0	\$0	\$0
Revenue				
General Fund	(\$86,804,698)	(\$185,354,607)	(\$276,180,561)	(\$379,650,890)
Other Special Revenue Funds	(\$3,630,866)	(\$10,680,128)	(\$16,462,014)	(\$23,972,900)

Fiscal Detail and Notes

This bill includes a revenue decrease to the General Fund of \$86,804,698 in fiscal year 2025-26 and \$185,354,607 in fiscal year 2026-27 by phasing out all sales and use tax rates by 1/2 of a percentage point every two years beginning January 1, 2026 until the rates are 0%. This phaseout will decrease revenue to (1) the Local Government Fund by \$3,563,631 in fiscal year 2025-26 and \$9,782,323 in fiscal year 2026-27, (2) the Multimodal Transportation Fund by \$210,213 in fiscal year 2026-27, (3) the Tourism Marketing Promotion Fund by \$507,236 in fiscal year 2026-27 and (4) the Adult Use Cannabis Public Health and Safety and Municipal Opt-in Fund by \$67,235 in fiscal year 2025-26 and \$180,356 in fiscal year 2026-27.

Additionally, the bill includes a one-time General Fund appropriation of \$5,300 in fiscal year 2025-26 to the Bureau of Revenue Services within the Department of Administrative and Financial Services to fund computer programming costs associated with the provisions of this bill.