

MAINE STATE LEGISLATURE

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Legislative Document

No. 1632

H. P. 1185

House of Representatives, June 6, 1961

Reported by One Member of Committee on Taxation. Printed under Joint Rules No. 10.

HARVEY R. PEASE, Clerk

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SIXTY-ONE

AN ACT Decreasing the Sales Tax and Eliminating Certain Exemptions.

Emergency preamble. Whereas, the essential needs of State Government require that additional revenue be raised by this Legislature; and

Whereas, the revenue to be collected under this act may not be sufficient to provide for said needs during the next fiscal biennium unless the tax is imposed on retail sales as soon as it is administratively feasible; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine, and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

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

Sec. 1. R. S., c. 17, § 2, amended. The 5th paragraph of section 2 of chapter 17 of the Revised Statutes which relates to the definition of "farm tractor" is repealed, as follows:

~~"Farm tractor" means any self propelled vehicle designed and used primarily as a farm implement for drawing plows, mowing machines and other implements of husbandry.~~

Sec. 2. R. S., c. 17, § 3, amended. The first paragraph of section 3 of chapter 17 of the Revised Statutes, as last amended by section 7 of chapter 350 of the public laws of 1959, is further amended to read as follows:

'A tax is imposed at the rate of ~~3%~~ 2½% on the value of all tangible personal property, sold at retail in this State, measured by the sale price, and upon the

total rental charged for living quarters, sleeping or housekeeping accommodations in hotels, rooming houses, tourist or trailer camps, except as in this chapter provided. Retailers shall pay such tax at the time and in the manner hereinafter provided, and it shall be in addition to all other taxes.'

Sec. 3. R. S., c. 17, § 4, amended. The first sentence of section 4 of chapter 17 of the Revised Statutes, as amended by section 2 of chapter 402 of the public laws of 1957, is further amended to read as follows:

'A tax is imposed on the storage, use or other consumption in this State of tangible personal property, purchased at retail sale ~~on and after July 1, 1957~~ at the rate of ~~3%~~ 2½% of the sale price.'

Sec. 4. R. S., c. 17, § 5, amended. Section 5 of chapter 17 of the Revised Statutes, as last amended by section 3 of chapter 402 of the public laws of 1957, is further amended to read as follows:

'**Sec. 5. Adding tax to sale price.** Every retailer shall add the sales tax imposed by this chapter, or the average equivalent of said tax, to his sale price, except as otherwise provided, and when added the tax shall constitute a part of the price, shall be a debt of the purchaser to the retailer until paid and shall be recoverable at law in the same manner as the purchase price. When the sale price shall involve a fraction of a dollar, the tax shall be added to the sale price upon the following schedules:

Amount of Sale Price	Amount of Tax
\$0.01 to \$0.14, inclusive	0c
.15 to .39, inclusive	1c
.40 to .74, inclusive	2c
.75 to .99, inclusive	3c
0.15 to 0.49, inclusive	1c
0.50 to 0.99, inclusive	2c
1.00 to 1.39, inclusive	3c
1.40 to 1.79, inclusive	4c
1.80 to 1.99, inclusive	5c

When the sale price exceeds ~~99c~~ \$1.99, the tax to be added to the price shall be ~~3c~~ 5c for each whole dollar \$2, plus the amount indicated above for each fractional part of a dollar \$2.

When several articles are purchased together and at the same time, the tax shall be computed on the total amount of the several items.

Breakage under this section shall be retained by the retailer as compensation for the collection.'

Sec. 5. R. S., c. 17, § 10, sub-§ III, repealed and replaced. Subsection III of section 10 of chapter 17 of the Revised Statutes is repealed and the following enacted in place thereof:

'**III. Food served by certain institutions.** Meals, food and drink served to patients and inmates of hospitals licensed by the State for the care of human beings and other institutions licensed by the State for the hospitalization or nursing care of human beings.'

Sec. 6. R. S., c. 17, § 10, sub-§ IX, repealed and replaced. Subsection IX of section 10 of chapter 17 of the Revised Statutes is repealed and the following enacted in place thereof:

'IX. Wood. Wood when bought for cooking and heating in homes, hotels and apartment houses, and other buildings designed both for human habitation and sleeping.'

Sec. 7. R. S., c. 17, § 11, repealed. Section 11 of chapter 17 of the Revised Statutes is repealed, as follows:

~~'Sec. 11. Tax only upon difference between sale price of purchased motor vehicle or farm tractor and sale price of vehicle or vehicles or farm tractor or tractors traded in. When one or more motor vehicles or farm tractors are traded in toward the sale price of another motor vehicle or farm tractor, the tax imposed by the provisions of this chapter shall be levied only upon the difference between the sale price of the purchased motor vehicles or farm tractor and the sale price of the motor vehicle or vehicles or farm tractor or tractors taken in trade.'~~

Sec. 8. Effective date. Sales made after July 31, 1961, pursuant to contracts entered into prior thereto, shall be subject to the tax imposed by this act.

Emergency clause. In view of the emergency cited in the preamble, this act shall take effect when approved.