

MAINE STATE LEGISLATURE

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
107TH LEGISLATURE
FIRST SPECIAL SESSION

(Filing No. H-914)

HOUSE AMENDMENT "A " to HOUSE AMENDMENT "K" to H.P. 2020, L.D. 2196, Bill, "AN ACT to Revise the Laws Relating to Funding of Public Schools."

Amend said Amendment by inserting after the 23rd paragraph and before the amending clause of section 5 the following:

'Sec. 4-A. 36 MRSA §4365, first sentence, as last amended by PL 1973, c. 768, §2, is further amended to read:

A tax is imposed on all cigarettes held in this State by any person for sale, said tax to be at the rate of 8-9 mills for each cigarette and the payment thereof to be evidenced by the affixing of stamps to the packages containing the cigarettes. The increase in tax to 9 mills authorized under this section shall revert back to 8 mills effective July 1, 1977.

Sec. 4-B. 36 MRSA §4365, next to last sentence, as last amended by PL 1973, c. 768, §3, is further amended to read:
The Tax Assessor thereupon shall notify the unclassified importer of the amount of the tax due thereon, which shall be at the rate of 8-9 mills per cigarette.'

Further amend said Amendment by striking out in the first line of the last paragraph of that part designated "\$5111." the underlined figure "12.5%" and inserting in place thereof the underlined figure '7.5%'

Further amend said Amendment by inserting before the 3rd paragraph from the end, before the Fiscal Note, the following:

'Sec. 8-A. PL 1973, c. 768, §4, is amended to read:

Sec. 4. Cigarettes on hand; stamping or account; waiver provisions. The State Tax Assessor may by regulation waive for

a period of not over 7 days following the effective date of ~~sections 2 and 3~~ payment of additional tax by retail dealers with respect to stocks of cigarettes properly stamped at the rate of ~~7-8~~ mills per cigarette sold during such period, provided such stocks were on hand as of the effective date ~~of sections 2 and 3~~ and pursuant thereto, the State Tax Assessor may also waive for the same period the application to retail dealers of Title 36, sections 4369, 4370 and 4372 as respects such cigarettes.

Nothing herein shall be construed to authorize any distributor or subjobber to distribute to any retail outlet cigarettes not properly stamped at the rate of ~~8-9~~ mills per cigarette.

Cigarettes in the hand of retail dealers subsequent to the period of waiver provided for above, not properly stamped at the rate of ~~8-9~~ mills per cigarette, shall be subject to confiscation under the provision of Title 36, section 4372; and such retailer shall be subject to any other penalties by law provided.

The cigarette stock on hand by distributors, subjobbers and retail dealers stamped at the rate of 9 mills as of June 30, 1977 shall be subject to refund of 1 mill upon application to the State Tax Assessor on forms prescribed by the assessor.

Applications for refunds shall be filed with the State Tax Assessor on or before July 31, 1977. The State Tax Assessor after being satisfied that the refund application is in order shall certify the amount and name of the person entitled to the refund to the Treasurer of State. The Treasurer of State shall thereupon make such refund.

Sec. 8-B. Appropriation. There is appropriated from the General Fund to the Department of Finance and Administration, Bureau of Taxation, the sum of \$15,000 to carry out the purposes of sections 4-A, 4-B and 8-A of this Act. The breakdown shall be as follows:

1976-77

FINANCE AND ADMINISTRATION, DEPARTMENT OF

Bureau of Taxation

All Other

\$15,000'

Fiscal Note

The implementation of this program for the period specified will increase revenue by an estimated \$2,800,000 during that period.

Statement of Fact

The purpose of this amendment is to increase the tax on cigarettes for one year, beginning July 1, 1976, in order to provide sufficient revenue for the payment of part of the state's obligations in the current year under the local leeway provision of the School Finance Act. This amendment increases the tax from 8 to 9 mills per cigarette, effective July 1, 1976, and also provides that after one year the tax will revert to 8 mills. This 1 mill increase in the tax will raise an estimated 2.8 million dollars during one year. This amount should be sufficient to provide for the state's obligation to administrative units which are presently converting to the state's uniform fiscal year.

HOUSE AMENDMENT " A " to HOUSE AMENDMENT "K" to H.P. 2020,

L.D. 2196

Page 4.

According to this amendment, payments are to be made no later than December 31, 1976. Since the present law provides for payments by June 30, 1976, local administrative units should anticipate borrowing until these payments are made in December.

Filed by Mr. Morton of Farmington.

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of the House.
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