

MAINE STATE LEGISLATURE

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ONE HUNDRED AND EIGHTH LEGISLATURE

Legislative Document

No. 819

H. P. 658

House of Representatives, March 8, 1977

On Motion of Mr. Tierney of Lisbon Falls referred to the Committee on Taxation. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Mr. Biron of Lewiston.

Cosponsors: Mr. Diamond of Windham and Mr. Wyman of Pittsfield.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-SEVEN

**AN ACT Exempting Clothing for Children under 16 from the Sales Tax and
Increasing the Cigarette Tax to Offset the Loss in Revenue.**

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

Sec. 1. 36 MRSA § 1760, sub-§ 3-A is enacted to read:

3-A. Children's clothing. Sales of clothing for children under 16 years of age.

Sec. 2. 36 MRSA § 4365, 1st ¶, 1st 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 \$ 18 mills for each cigarette and the payment thereof to be evidenced by the affixing of stamps to the packages containing the cigarettes.

Sec. 3. 36 MRSA § 4365, 2nd ¶, 2nd 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 tax due thereon, which shall be at the rate of \$ 18 mills per cigarette.

FISCAL NOTE

It is estimated that the loss of revenue for the fiscal year ending June 30, 1978, will approximate \$2,600,000 and for the fiscal year ending June 30, 1979, will approximate \$2,700,000. The increase in the cigarette tax should more than offset any loss.

STATEMENT OF FACT

The purpose of this bill is to exempt from the sales tax clothing for children under 16 years of age, and to compensate for that exemption by increasing the cigarette tax by 10 mills per cigarette.