

MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND TENTH LEGISLATURE

Legislative Document

No. 1464

H. P. 1239

House of Representatives, March 24, 1981

Referred to the Committee on Taxation. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Representative Baker of Portland.

Cosponsors: Senator Wood of York, Representative Boyce of Auburn and Representative Ingraham of Houlton.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED AND EIGHTY-ONE

AN ACT to Conform the Existing Sales Tax Exemption for 750 Kilowatts of Electricity to Patterns of Usage.

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

36 MRSA § 1760, sub-§ 9-B, first sentence, as enacted by PL 1977, c. 686, § 2, is amended to read:

Sale of ~~the first 750~~ **9,000** kilowatt hours of residential electricity ~~per month each year~~.

STATEMENT OF FACT

This bill annualizes the existing sales tax exemption for electricity. In so doing it enables persons using electric heat, most of whom are elderly or low income people in subsidized or Farmers Home housing, to get the complete benefit of this exemption.

Currently such a person, using 1,100 kilowatt hours in December or January and 300 in July or August, has to pay sales tax for using over 750 kilowatt hours but gets no credit when less is used. By annualizing the credit to 9,000 kilowatt hours, 750 X 12, persons will not be penalized during winter.

Since the State is already legally committed to collecting no sales tax on 9,000 kilowatt hours each year this change should involve no additional revenue loss.