

	FIRST H	REGULAR SE	SSION
ONE	HUNDRED AN	ND TWELFTH	I LEGISLATURE
Legislative Docu	ument		No. 60
S.P. 43			In Senate, January 15, 1985
Reference to	the Committee	on Taxation s	uggested and ordered printed.
		JOY J. O'	BRIEN, Secretary of the Senate
Presented by Sena	ator Baldacci of	Penobscot.	
	STAT	TE OF MAIN	E
NI	IN THE N NETEEN HUNI	YEAR OF OU DRED AND E	
	anies with		ion of Telephone ion of other ions.
Be it enacte follows:	d by the Pe	ople of t	he State of Maine as
Sec. 1.	36 MRSA §2	2 684 is am	ended to read:
§2684. Comp	utation; te	elephone c	ompanies
The amo	unt of the	annual ex	cise tax on telephone
companies sh	all be asce	ertained a	s follows: When the
			of such corporation,
association			or his operations
			lendar year preceding
			sessed on such corpo-
not exceed			ceed $$1,000$ and do all be $1 \frac{1}{4\%}$ of such
			when such total gross
operating re			
			% of such total gross

1 operating revenues; when such total gross operating 2 revenues exceed \$10,000 and do not exceed \$20,000, the tax shall be $1 \frac{3}{4\%}$ of such total gross operating 3 4 revenues; when such total gross operating revenues exceed \$20,000 and do not exceed \$40,000, the tax 5 6 shall be 2% of such total gross operating revenues; 7 and so on, increasing the rate of tax 1/4 of 1% for 8 each additional \$20,000 or fractional part thereof, 9 of such total gross operating revenues, provided that the rate shall in no event exceed 7% 3% of such total 10 11 gross operating revenues.

12 The 4% maximum limit on the Sec. 2. Transition. 13 excise tax computed under the Revised Statutes, Title 36, section 2684, shall be 6% for the excise tax paid 14 15 in 1986 on 1985 gross operating revenues, 5% for the 16 excise tax paid in 1987 on 1986 gross operating reve-17 nues and 4% for the excise tax paid in 1988 on 1987 18 revenues.

STATEMENT OF FACT

20 Under present law, telephone companies pay an ex-21 cise tax under the Revised Statutes, Title 36, chap-22 ter 363, in lieu of most property taxation imposed by 23 the State. That tax is now 7% of gross operating 24 when revenues are over \$600,000. revenues The amounts paid in excise taxes under the Revised 25 Stat-Title 36, chapter 363 are, for the major 26 utes, 27 provider of telephone service in this State, more than double the property taxes that it would other-28 29 wise pay. Those tax amounts add to the cost of tele-30 phone service that is paid by ratepayers in their 31 telephone bills. The correction of this inequitable 32 treatment will help hold down the cost of telephone 33 service and thus make telephone service more 34 affordable by more people.

This bill reduces the maximum excise tax from 7% to 3% on a phase-in basis.

1063122984

37

19