

MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

NO. 1250

H.P. 934 House of Representatives, April 13, 1987
Reference to the Committee on Taxation suggested and
ordered printed.

EDWIN H. PERT, Clerk
Presented by Representative HOGLUND of Portland.
Cosponsored by Senator BRANNIGAN of Cumberland,
Representatives POULIOT of Lewiston and PARADIS of Frenchville.

STATE OF MAINE

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

AN ACT to Create a Tax on Meals.

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

36 MRSA §1811, as amended by PL 1985, c. 783, §5,
is repealed and the following enacted in its place.

§1811. Sales tax

Except as otherwise provided in this Part, a tax
is imposed on retail sales subject to the following
conditions.

1. General rate. A tax rate of 5% is imposed on
the value, measured by the sale price, of:

A. All tangible personal property;

1 B. Telephone and telegraph service;

2 C. Extended cable television service; and

3 D. Fabrication services.

4 2. Special rate. A tax rate of 7% is imposed on
5 the value, measured by the sale price, of:

6 A. The rental charged for living quarters in ho-
7 tels, rooming houses, tourist or trailer camps;

8 B. The rental charged for automobiles rented on
9 a short-term basis, other than a rental charged
10 to a person engaged in the business of renting
11 automobiles; and

12 C. Sales of food products which are not exempt
13 under section 1760, subsection 3.

14 3. Payment. Retailers shall pay the tax at the
15 time and in the manner provided and it shall be in
16 addition to all other taxes.

17 4. Certain regulated commodities. The tax im-
18 posed upon the sale and distribution of gas, water or
19 electricity, or telephone or telegraph service, by
20 any public utility, the rates for which are estab-
21 lished by the Public Utilities Commission, shall be
22 added to the rates. No tax may be imposed upon the
23 sale or use of electrical energy, or water stored for
24 the purpose of generating electricity, when the sale
25 is to or by a wholly-owned subsidiary by or to its
26 parent corporation, except for electrical energy or
27 water purchased for resale to or by the wholly-owned
28 subsidiary.

29 STATEMENT OF FACT

30 This bill reorganizes the provisions of law im-
31 posing the sales tax and increases the tax on nonex-
32 empt meals and takeout foods to 7%.

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