

MAINE STATE LEGISLATURE

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(After Deadline)
SECOND REGULAR SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

No. 2300

S.P. 888

In Senate, February 19, 1988

Approved for Introduction by a Majority of the Legislative Council pursuant to Joint Rule 27.

Reference to the Committee on Taxation suggested and ordered printed.

JOY J. O'BRIEN, Secretary of the Senate

Presented by Senator TUTTLE of York.

Cosponsored by Senator TWITCHELL of Oxford, Representative CASHMAN of Old Town, Senator SEWALL of Lincoln.

STATE OF MAINE

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

AN ACT to Capture Sales Tax Revenues on
Manufactured Housing Purchased Outside the
State.

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

7 Sec. 1. 30 MRSA §4965, sub-§3 is enacted to
8 read:

1 3. Certification of payment of sales tax. No
2 municipality may allow the construction or location of
3 any form of manufactured housing, as defined in
4 subsection 1, within the municipality without
5 certification of payment of sales tax in accordance
6 with Title 36, section 1760, subsection 40; and Title
7 36, section 1952-B; and a valid bill of sale
8 indicating the name and address of the firm,
9 corporation or person who sold or provided the
10 manufactured housing to the buyer siting this housing
11 in the municipality.

12 A. In municipalities which require any type of
13 permit for manufactured housing, the permit shall
14 not be deemed approved or valid until payment of
15 the sales tax has been certified.

16 Sec. 2. 30 MRSA §5622, sub-§1, ¶¶ A and B, as
17 enacted by PL 1977, c. 390, §4, are amended to read:

18 A. Regulating the design, construction materials
19 and construction of new buildings and additions to
20 and alterations of existing buildings; regulating
21 the alteration, demolition, maintenance, repair,
22 use, change of use, safety features, light,
23 ventilation and sanitation facilities of all
24 buildings; regulating the installation,
25 alteration, maintenance, repair and use of all
26 equipment in or connected to all buildings; and
27 requiring permits and establishing reasonable
28 permit fees for all of the operations mentioned in
29 this paragraph; and

30 B. Establishing adequate standards for all
31 features of means of egress, fire protection, fire
32 prevention, accident prevention and structural
33 safety of buildings which are used occasionally or
34 regularly for public assembly; compelling the
35 owners to make improvements to bring such
36 buildings up to the established standards;
37 requiring the owner or lessee of a building used
38 for public assembly which is regulated by an
39 ordinance authorized by this section and operated
40 with the intent of financial gain to obtain a
41 permit for which a fee may be imposed commensurate
42 with its size or capacity; and requiring the owner

1 or lessee of such a building to file a plan of it
2 showing all safety features as a condition
3 precedent to the issue of a permit or the further
4 use of one already issued.

5 (1) The building inspector shall send a
6 written order to the owner or lessee of a
7 building used for public assembly requiring
8 any conditions which exist in violation of an
9 ordinance to be corrected within 30 days
10 after the order is sent.

11 (2) After the expiration of the 30-day
12 period, the owner or lessee is liable for all
13 injury caused by his failure to do so, and
14 the building inspector shall order the
15 building vacated.

16 (3) "Building used for public assembly"
17 means a room or space in or on any structure
18 which is used for the gathering of 100 or
19 more persons for any purpose, and includes
20 any room or space on the same level, above or
21 below, which has a common entrance; and

22 Sec. 3. 30 MRSA §5622, sub-§1, ¶C is enacted to
23 read:

24 C. Requiring persons, firms, corporations or any
25 other organizations which intend to construct or
26 site manufactured housing, as defined in section
27 4965, subsection 1, in the plantation to provide
28 certification of payment of sales tax in
29 accordance with Title 36, section 1760, subsection
30 40; and Title 36, section 1952-B; and a valid bill
31 of sale indicating the name and address of the
32 person, firm or corporation which sold or provided
33 the manufactured housing to the buyer who intends
34 to site the housing in the plantation.

35 In any plantation for which a permit for
36 manufactured housing is required, the permit shall
37 not be deemed approved or valid until payment of
38 the sales tax has been certified with the
39 assessors or the Maine Land Use Regulation

1 Commission.

2 Sec. 4. 36 MRSA §1952-B is enacted to read:

3 §1952-B. Manufactured housing

4 The tax imposed by chapters 211 to 225 on the sale
5 or use of any type of manufactured housing, as defined
6 in Title 30, section 4965, subsection 1, shall, except
7 where the dealer has collected the tax in full, be
8 paid by the purchaser to the State Tax Assessor. The
9 State Tax Assessor shall provide a tax receipt to the
10 purchaser which, upon request by the municipal
11 officials, assessors of a plantation or the Maine Land
12 Use Regulation Commission, shall be made available by
13 the purchaser to certify that the tax imposed by
14 chapters 211 to 225 has been paid, pursuant to Title
15 30, section 4965, subsection 3.

16 STATEMENT OF FACT

17 The purpose of this bill is to close a major
18 loophole in Maine tax law which increases continuously
19 as more and more manufactured housing is purchased
20 outside Maine, primarily in New Hampshire.

21 Current Maine law requires payment of sales tax on
22 mobile and modular housing at a rate not to exceed 50%
23 of the sale price. Many Maine citizens residing in
24 towns as far as 35 miles from the New Hampshire
25 borders purchase mobile homes and modular housing in
26 New Hampshire which has no sales tax. These Maine
27 citizens site their purchased homes in Maine and pay
28 no sales tax to the State of Maine.

29 As a result of this situation, New Hampshire
30 mobile and modular home dealers undersell Maine
31 dealers by as much as \$1,000 for the same item. Each
32 unit purchased in New Hampshire deprives the State of
33 Maine of \$800 to \$1,200 in sales tax revenues.

34 The gravity of this situation is intensified by
35 sky-rocketing housing costs, particularly in southern

1 Maine where there is a very serious affordable housing
2 crisis. Mobile homes and modular homes are the only
3 affordable housing alternatives available to most
4 Maine citizens. The loss of sales tax revenues,
5 therefore, will escalate rapidly as more Maine
6 citizens purchase manufactured housing from New
7 Hampshire dealers.

8 Currently, it is extremely difficult to monitor
9 this situation and enforce current law. By requiring
10 Maine residents to show a bill of sale and
11 certification of payment of sales tax to local
12 officials or to the Maine Land Use Regulation
13 Commission in the unorganized territory prior to
14 receiving final approval for the construction or
15 location of manufactured housing units in Maine towns
16 and cities, the current loophole in the law will be
17 closed.

18 One effect of this bill could be the creation of
19 more manufactured housing producers in Maine which
20 could provide more employment opportunities in this
21 State.

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