

MAINE STATE LEGISLATURE

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114th MAINE LEGISLATURE

FIRST REGULAR SESSION - 1989

Legislative Document

No. 421

H.P. 307

House of Representatives, February 23, 1989

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "Ed Pert".

EDWIN H. PERT, Clerk

Presented by Representative KETOVER of Portland.

Cosponsored by Representative DiPIETRO of South Portland, Senator BRANNIGAN of Cumberland and Representative ROLDE of York.

STATE OF MAINE

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

An Act to Establish A Local Option County Sales Tax.



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

3 36 MRSA c. 214 is enacted to read:

5 CHAPTER 214

7 LOCAL OPTION SALES TAX

9 §1821. County local option sales tax

11 A county may adopt a local option sales tax subject to the
13 following conditions.

15 1. Procedure. A county may adopt a local tax if it is
17 approved by the same procedure required for the county budget. A
19 county adopting a local tax shall notify the State Tax Assessor
21 at least 90 days prior to the effective implementation date of
23 the tax.

25 2. Limitation. A county may choose to adopt a sales tax
27 not exceeding 1% on all sales which are subject to the state
29 sales tax.

31 3. Administration. The State Tax Assessor shall collect
33 the taxes authorized by this chapter, identify the amount
35 attributable to each county and, after deducting the costs of
37 administration, pay revenues attributable to each county on a
39 monthly basis to the appropriate county.

41 4. Use of revenues. The revenues received by a county
43 under this section shall be used to reduce the county tax. Any
45 additional revenues may be distributed to municipalities and the
47 unorganized territory within the county in proportion to the
municipality's or the unorganized territory's share of the total
state valuation for the county.

STATEMENT OF FACT

This bill permits counties to adopt a local option sales tax. The sales tax would be limited to 1% of the sales price. The tax would piggyback onto the state sales tax and be administered by the State. After deducting costs of administration, the State would return revenues to the appropriate county.