

MAINE STATE LEGISLATURE

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115th MAINE LEGISLATURE

FIRST REGULAR SESSION-1991

Legislative Document

No. 282

H.P. 189

House of Representatives, February 2, 1991

Reference to the Committee on Taxation suggested and ordered printed.

EDWIN H. PERT, Clerk

Presented by Representative NADEAU of Saco.

Cosponsored by Representative HOGLUND of Portland, Representative CASHMAN of Old Town and Senator GAUVREAU of Androscoggin.

STATE OF MAINE

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

An Act to Increase the Progressivity of the Maine Sales Tax Code.



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

2 **Sec. 1. 36 MRSA §1752, sub-§17-A, ¶F**, as amended by PL 1989,
4 c. 533, §§2 and 14, is further amended to read:

6 F. Custom computer programming, including, but not limited
8 to, modification of a standard program; and

10 **Sec. 2. 36 MRSA §1752, sub-§17-A, ¶G**, as enacted by PL 1989,
12 c. 533, §§3 and 14, is amended to read:

14 G. Rental of video tapes and video equipment;

16 **Sec. 3. 36 MRSA §1752, sub-§17-A, ¶¶ H and I** are enacted to
18 read:

20 H. Sales of food products subject to tax in accordance with
22 section 1760, subsection 3; and

24 I. Sales of liquor in licensed establishments as defined in
26 Title 28-A, section 2, subsection 15, in accordance with
28 Title 28-A, chapter 43.

30 **Sec. 4. 36 MRSA §1811, first ¶**, as repealed and replaced by PL
32 1989, c. 871, §16, is amended to read:

34 A tax is imposed on the value of all tangible personal
36 property and taxable services sold at retail in this State. The
38 rate of tax is 10% ~~on the value of liquor sold in licensed~~
40 ~~establishments as defined in Title 28-A, section 2, subsection~~
42 ~~15, in accordance with Title 28-A, chapter 43;~~ 7% on the value of
44 rental of living quarters in any hotel, rooming house, tourist or
46 trailer camp and rental for a period of less than one year of an
48 automobile; and 5% on the value of all other tangible personal
property and taxable services. Value is measured by the sale
price, except as otherwise provided.

Sec. 5. 36 MRSA §1812, sub-§1, ¶C, as repealed and replaced by
PL 1989, c. 871, §17, is repealed.

Sec. 6. 36 MRSA §1812, sub-§2, as amended by PL 1989, c. 588,
Pt. B, §4, is further amended to read:

2. Several items. When several purchases are made together
and at the same time, the tax shall ~~must~~ be computed on the total
amount of the several items, except that purchases taxed at 5%,
and 7% and 10% shall must be separately totaled.

2

STATEMENT OF FACT

4 The purpose of this bill is to return simplicity and
6 administrative convenience to the State's sales tax policy. The
8 bill eliminates the 10% rate on drinks. There is no loss of
10 revenue, however, because the bill raises the meals tax from 5%
to 7%. Meals and certain liquor sales are redefined as "taxable
services" in this bill.