

MAINE STATE LEGISLATURE

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115th MAINE LEGISLATURE

FIRST REGULAR SESSION-1991

Legislative Document

No. 602

H.P. 419

House of Representatives, February 13, 1991

Reference to the Committee on Taxation suggested and ordered printed.

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

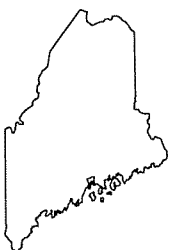
EDWIN H. PERT, Clerk

Presented by Representative CONSTANTINE of Bar Harbor.
Cosponsored by Representative NADEAU of Saco.

STATE OF MAINE

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

**An Act to Amend the Sales and Use Tax for Installations of Data
Communications Equipment.**



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

Sec. 1. 36 MRSA §1752, sub-§18-A, as amended by PL 1985, c. 819, Pt. C, §§6 and 7, is further amended to read:

18-A. Telephone or telegraph service. "Telephone or telegraph service" means all telecommunications or telegraph service, including ~~installation~~ or use of telecommunication or telegraphic equipment, but not including telecommunications or telegraph service originating or terminating outside this State. "Telecommunications and telegraphic equipment" means any 2-way interactive communications device, system or process for transmitting or receiving electromagnetic signals and capable of exchanging audio, data base or textual information. Until January 1, 1988, telecommunications service includes access services provided by a local exchange carrier to an interstate or intrastate interexchange carrier. Notwithstanding subsection 11, a sale of access services ~~shall be~~ is considered a retail sale. Beginning January 1, 1988, unless extended by the Legislature, telecommunications service ~~shall~~ does not include those access services. "Telephone or telegraph service" does not include directory advertising service.

Sec. 2. 36 MRSA §1815 is enacted to read:

§1815. Value of telecommunications or telegraphic equipment

For the purposes of computing the tax under section 1811, the value of telecommunications or telegraphic equipment is the normal retail price and not the wholesale price that may in fact be charged to purchasers of telecommunications or telegraphic equipment, including, but not limited to, electricians, contractors and subcontractors.

STATEMENT OF FACT

This bill exempts installation of telecommunications or telegraphic equipment from the sales tax. The bill also requires all purchasers of telecommunications or telegraphic equipment to pay sales tax based on the retail price of the equipment rather than the actual price they may have paid.