

MAINE STATE LEGISLATURE

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115th MAINE LEGISLATURE

FIRST REGULAR SESSION-1991

Legislative Document

No. 1017

H.P. 712

House of Representatives, March 11, 1991

Received by the Clerk of the House on March 7, 1991. Referred to the Committee on Taxation and 1400 ordered printed pursuant to Joint Rule 14.

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

EDWIN H. PERT, Clerk

Presented by Representative LAWRENCE of Kittery.
Cosponsored by Senator ESTES of York.

STATE OF MAINE

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

An Act to Permit Municipalities to Have the Option of a Local Sales Tax.



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

2
36 MRSA §1815 is enacted to read:

4
§1815. Local option sales and use tax

6
1. Municipalities authorized to adopt. The legislative
8 body of any municipality may impose a local sales and use tax on
all transactions subject to the tax imposed under this section.
10 The municipality may choose to impose a sales and use tax of
either .5% or 1%.

12
2. Notify State Tax Assessor. A municipality that imposes
14 a local sales and use tax under this section shall notify the
State Tax Assessor at least 90 days before the local tax is
16 effective to provide the State with sufficient time to prepare
for administration of the local tax.

18
3. Administered by State. Retailers in a municipality that
20 has imposed a local sales and use tax under this section shall
pay the tax at the time and in the manner provided for the
22 payment of state sales and use taxes and this tax is in addition
to all other taxes.

24
4. Payment to municipalities. Each month the State Tax
26 Assessor shall identify the amount of revenue attributable to
each municipality under this section, subtract the costs of
28 administering this section and certify the net amount due each
municipality to the Treasurer of State. The Treasurer of State
30 shall make monthly payments of the amounts certified by the State
Tax Assessor.

32
5. Use of local sales and use tax revenue. The revenue
34 raised by the adoption of a local sales and use tax must be used
by the municipality to reduce the property tax burden imposed in
36 that municipality.

38
STATEMENT OF FACT

40
This bill allows municipalities to adopt a local sales and
42 use tax. The municipality may choose to impose either a .5% or
1% tax. The legislative body of the municipality is the entity
44 that can choose whether or not to adopt such a tax.

46
The tax applies to the sales of the same goods and services
to which the state sales and use tax applies.

48
All the provisions regarding assessment, collection and
50 enforcement of the state sales and use tax also apply to the
local sales and use tax. The State shall assess and collect the
52 local sales and use tax along with the state sales and use tax

2 and return the revenue raised to the municipality. The
3 municipality must notify the State Tax Assessor at least 90 days
4 before the local tax goes into effect. This will give the State
5 time to set up the procedures for administering the local tax.

6 The State Tax Assessor will determine how much revenue is
7 raised through each municipality's local sales and use tax each
8 month. The State Tax Assessor will then subtract the
9 administration costs due to the local sales and use tax and
10 certify how much should be returned to each municipality. The
11 Treasurer of State shall pay that amount to the municipality each
12 month.

13
14 The municipality must use the additional revenue to reduce
the property tax burden in that municipality.