

MAINE STATE LEGISLATURE

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115th MAINE LEGISLATURE

FIRST REGULAR SESSION-1991

Legislative Document

No. 1177

H.P. 823

House of Representatives, March 18, 1991

Reference to the Committee on Education suggested and ordered printed.

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

EDWIN H. PERT, Clerk

Presented by Representative NUTTING of Leeds.

Cosponsored by Senator VOSE of Washington and Representative DORE of Auburn.

STATE OF MAINE

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

An Act to Increase the State Share of Education to 65%.

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

2
3 **Sec. 1. 36 MRSA §1811, first ¶,** as repealed and replaced by PL
4 1989, c. 871, §16, is amended to read:

6 A tax is imposed on the value of all tangible personal
7 property and taxable services sold at retail in this State. The
8 rate of tax is 10% on the value of liquor sold in licensed
9 establishments as defined in Title 28-A, section 2, subsection
10 15, in accordance with Title 28-A, chapter 43; 7% on the value of
11 rental of living quarters in any hotel, rooming house, tourist or
12 trailer camp and rental for a period of less than one year of an
13 automobile; and 5% 6% on the value of all other tangible personal
14 property and taxable services. Value is measured by the sale
15 price, except as otherwise provided.

16
17 **Sec. 2. 36 MRSA §1812, sub-§1, ¶A,** as repealed and replaced by
18 PL 1987, c. 402, Pt. A, §181, is repealed and the following
19 enacted in its place:

20 A. If the tax rate is 6%:

<u>Amount of Sale Price</u>	<u>Amount of Tax</u>
<u>\$0.01 to \$0.09, inclusive</u>	<u>0¢</u>
<u>.10 to .16, inclusive</u>	<u>1¢</u>
<u>.17 to .33, inclusive</u>	<u>2¢</u>
<u>.34 to .50, inclusive</u>	<u>3¢</u>
<u>.51 to .66, inclusive</u>	<u>4¢</u>
<u>.67 to .83, inclusive</u>	<u>5¢</u>
<u>.84 to 1.00, inclusive</u>	<u>6¢</u>

32 One sixth of the amount collected under this paragraph must
33 be deposited by the Treasurer of State in a separate account
34 to be used exclusively for municipal education budgets.

36 **Sec. 3. 36 MRSA §1812, sub-§2,** as amended by PL 1989, c. 588,
37 Pt. B, §4, is further amended to read:

38 **2. Several items.** When several purchases are made together
39 and at the same time, the tax shall ~~be~~ is computed on the total
40 amount of the several items, except that purchases taxed at 5%
41 6%, 7% and 10% shall ~~be~~ are separately totaled.

42
43 **Sec. 4. Appropriation.** The following funds are appropriated
44 from the General Fund to carry out the purposes of this Act.

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EDUCATION, DEPARTMENT OF

General Purpose Aid for Local Schools

All Other \$96,574,036

Provides funds to be used for municipal education budgets.

Sec. 5. Effective date. This Act takes effect July 1, 1992.

STATEMENT OF FACT

This bill raises the sales tax effective July 1, 1992. It is estimated that this increase in sales tax will raise \$96,574,036 in fiscal year 1992-93. This revenue will be used to increase the State's share of school funding to 65% of the total cost.