

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

2
4
6
8
10
12
14
16
18
20
22
24
26
28
30
32
34
36
38
40
42
44
46
48
50

STATE OF MAINE
HOUSE OF REPRESENTATIVES
115TH LEGISLATURE
SECOND SPECIAL SESSION

HOUSE AMENDMENT "Z" to H.P. 1402, L.D. 1985, Bill, "An Act to Make Supplemental Appropriations and Allocations for the Expenditures of State Government for the Fiscal Years Ending June 30, 1992 and June 30, 1993 and to Change Certain Provisions of Law"

Amend the bill by inserting at the end before the emergency clause the following:

PART OO

Sec. OO-1. 36 MRSA §1752, sub-§11, ¶B, as enacted by PL 1989, c. 871, §5, is repealed.

Sec. OO-2. 36 MRSA §1752, sub-§14, ¶B, as amended by PL 1989, c. 871, §6, is further amended to read:

B. "Sale price" does not include:

(1) Discounts allowed and taken on sales;

(2) Allowances in cash or by credit made upon the return of merchandise or with respect to fabrication services pursuant to warranty;

(3) The price of property returned or fabrication services rejected by customers, when the full price is refunded either in cash or by credit;

~~(4) The price received for labor or services used in installing or applying or repairing the property sold or fabricated, if separately charged or stated;~~

~~(5) Any amount charged or collected, in lieu of a gratuity or tip, as a specifically stated service charge, when that amount is to be disbursed by a hotel, motel, restaurant or other eating establishment to its employees as wages;~~

2 ~~(6)~~ (4) The amount of any tax imposed by the United
4 States on or with respect to retail sales, whether
imposed upon the retailer or the consumer, except any
6 manufacturers', importers', alcohol or tobacco excise
tax;

8 ~~(7)~~ (5) The cost of transportation from the retailer's
place of business or other point from which shipment is
10 made directly to the purchaser, provided that those
charges are separately stated and the transportation
12 occurs by means of common carrier, contract carrier or
the United States mail;

14 ~~(8)~~ (6) The fee imposed by Title 10, section 1169,
16 subsection 11;

18 ~~(9)~~ (7) The fee imposed by section 4832, subsection 1;
or

20 ~~(10)~~ (8) The lead-acid battery deposit imposed by
22 Title 38, section 1604, subsection 2-B.

24 Sec. OO-3. 36 MRSA §1760, as amended by PL 1991, c. 591, Pt.
N, §1 and Pt. WW, §3 and affected by Pt. N, §2 and Pt. WW, §4, is
26 repealed.

28 Sec. OO-4. 36 MRSA §1760-C is enacted to read:

30 §1760-C. Exemptions

32 No tax on sales, storage or use may be collected upon or in
connection with:

34 1. Exemptions by constitutional provisions. Sales that this
36 State is prohibited from taxing under the United States
Constitution or laws of the United States, or under the
38 Constitution of Maine;

40 2. Medicines. Sales of medicines for human beings sold on
doctor's prescription;

42 3. Prosthetic devices. Sales of prosthetic aids, hearing
44 aids or eyeglasses and artificial devices designed for the use of
a particular individual to correct or alleviate physical
46 incapacity; and sales of crutches and wheelchairs for the use of
invalids and crippled persons and not for rental;

48 4. Certain meals. Sales of meals:

50

HOUSE AMENDMENT "ZZ" to H.P. 1402, L.D. 1985

2 A. To patients of hospitals licensed by the State for the
4 care of human beings and other institutions licensed by the
6 State for the hospitalization or nursing care of human
8 beings, or institutions, agencies, hospitals, boarding homes
10 and boarding houses licensed by the Department of Human
12 Services under Title 22, Subtitle 6, and Title 22, section
14 1781; and

16 B. By hospitals, schools, long-term care facilities, food
18 contractors and restaurants to incorporated nonprofit area
20 agencies on aging for the purpose of providing meals to the
22 elderly;

24 5. Coal, oil and wood. Coal, oil, wood and all other fuels,
26 except gas and electricity, when bought for cooking and heating
28 in homes, mobile homes, hotels and apartment houses, and other
30 buildings designed both for human habitation and sleeping;

32 6. Residential electricity. Sale of the first 750 kilowatt
34 hours of residential electricity per month. For the purpose of
36 this subsection, "residential electricity" means electricity
38 furnished to homes, mobile homes, boarding homes and apartment
40 houses, with the exception of hotels and motels. Where
42 residential electricity is furnished through one meter to more
44 than one residential unit and where the electric utility applies
46 its tariff on a per unit basis, the furnishing of electricity is
48 deemed a separate sale for each unit to which the tariff applies;

7. Residential gas. Sales of gas when bought for cooking
 and heating in residences. For the purpose of this subsection,
 "residences" means homes, mobile homes, boarding homes and
 apartment houses, with the exception of hotels and motels;

8. Certain institutions. Rental charged for living or
 sleeping quarters in an institution licensed by the State for the
 hospitalization or nursing care of human beings;

9. Schools. Rental charged for living quarters, sleeping or
 housekeeping accommodations to any student necessitated by
 attendance at a school. "School" means an incorporated nonstock
 educational institution, including an institution empowered to
 confer educational, literary or academic degrees, that has a
 regular faculty, curriculum and organized body of pupils or
 students in attendance throughout the usual school year, that
 keeps and furnishes to students and others records required and
 accepted for entrance to schools of secondary, collegiate or
 graduate rank, no part of the net earnings of which inures to the
 benefit of any individual;

2 10. Continuous residence; refunds and credits. Rental
3 charged to any person who resides continuously for 28 days at any
4 one hotel, rooming house, tourist or trailer camp if:

5 A. The person does not maintain a primary residence at some
6 other location; or

7 B. The person is residing away from that person's primary
8 residence in connection with employment or education.

9 Tax paid by such person to the retailer under section 1812 during
10 the initial 28-day period must be refunded by the retailer. The
11 tax reported and paid to the State by the retailer may be taken
12 as a credit by the retailer on the report filed by the retailer
13 covering the month in which refund was made to the tenant.

14 This subsection applies to all rentals of any hotel, rooming
15 house or tourist or trailer camp for occupancy on or after July
16 1, 1991 regardless of the date on which payment for the rental is
17 made;

18 11. Diabetic supplies. All equipment and supplies, whether
19 medical or otherwise, used in the diagnosis or treatment of
20 diabetes;

21 12. Residential water. Sales of water purchased for use in
22 homes, mobile homes, boarding homes and apartment houses and
23 other buildings designed for both human habitation and sleeping,
24 with the exception of hotels and motels;

25 13. Mobile and modular homes. Sales of mobile or modular
26 homes including:

27 A. Used mobile and modular homes; and

28 B. New mobile and modular homes. This exemption is limited
29 to all costs, other than materials, included in the sale
30 price, but not to exceed 50% of the sale price; and

31 14. Aircraft parts. The sale or use of replacement or
32 repair parts of an aircraft in this State when used by a
33 scheduled airline in the performance of service under federal
34 regulations of the Civil Aeronautics Board, Part 298 or under 49
35 United States Code, Section 1371.

36 Sec. OO-5. 36 MRSA §1765, as amended by PL 1989, c. 588, Pt.
37 C, §4, is repealed.

2 Sec. OO-6. 36 MRSA §1811, first ¶, as amended by PL 1991, c.
3 591, Pt. XX, §§1 and 2 and affected by §§7 and 8, is repealed and
4 the following enacted in its place:

5 A tax is imposed on the value of all tangible personal
6 property and taxable services sold at retail in this State. The
7 rate of tax is 7% on the value of liquor sold in licensed
8 establishments as defined in Title 28-A, section 2, subsection
9 15, in accordance with Title 28-A, chapter 43; 7% on the value of
10 rental of living quarters in any hotel, rooming house, tourist or
11 trailer camp and rental for a period of less than one year of an
12 automobile; 7% on the value of prepared food sold in
13 establishments that are licensed for on-premises consumption of
14 liquor pursuant to Title 28-A, chapter 43 and 3.5% on the value
15 of all other tangible personal property and taxable services.
16 Value is measured by the sale price, except as otherwise provided.

17 Sec. OO-7. 36 MRSA §1811-A, as amended by PL 1981, c. 706,
18 §22, is repealed.

19 Sec. OO-8. 36 MRSA §1812, sub-§1, ¶A, as repealed and replaced
20 by PL 1991, c. 591, Pt. XX, §§3 and 4 and affected by §§7 and 8,
21 is repealed and the following enacted in its place:

22 A. If the tax rate is 3.5%:

<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 .40, inclusive</u>	<u>1¢</u>
<u>.41 to .70, inclusive</u>	<u>2.25¢</u>
<u>.71 to 1.00, inclusive</u>	<u>3.5¢</u>

23 If resulting tax would be a fraction of a cent, the tax is
24 rounded up to next highest cent.

25 Sec. OO-9. 36 MRSA §2013, as amended by PL 1989, c. 847, §3,
26 is repealed.

27 Sec. OO-10. 36 MRSA §2014, as enacted by PL 1983, c. 560,
28 §§4 and 6, is repealed.

29 Sec. OO-11. Effective date. This Part takes effect July 1,
30 1992.'

31 Further amend the bill by relettering the Parts to read
32 consecutively.

FISCAL NOTE

2

This amendment repeals a number of tax exemptions with a corresponding decrease in the general sales tax rate. There is no estimated net fiscal impact to the General Fund because the gain in revenue from elimination of the exemptions is offset by the loss of revenue resulting from a lower tax rate.

8

10

STATEMENT OF FACT

12

This amendment will achieve sales tax reform in a revenue-neutral manner beginning in fiscal year 1992-93.

14

16

Filed by Rep. Joseph of Waterville
Reproduced and distributed under the direction of the Clerk
of the House.

12/18/91

(Filing No. H-836)