

MAINE STATE LEGISLATURE

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

HOUSE AMENDMENT *BB* to COMMITTEE AMENDMENT "A" to H.P. 1547, L.D. 2185, 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 the Laws"

Amend the amendment by striking out all of Part WW.

Further amend the amendment by inserting at the end before the fiscal note the following:

PART XX

Sec. XX-1. 36 MRSA §1811-B is enacted to read:

§1811-B. Temporary sales tax

1. Tax imposed. Notwithstanding sections 1752, 1760 and 1811, a tax is imposed at the rate of 5% on the value of the following property or services sold at retail in this State:

A. All tangible personal property or services otherwise exempt under section 1752 or 1760, except for those exempt under section 1760, subsections 1, 3, 5 or 54.

2. Computation. Every retailer shall add the sales tax imposed by this section, or the average equivalent of that tax, to the sale price. When the sale price involves a fraction of a dollar, the tax must be added to the sale price as follows.

A. If the amount of the sale price is 1¢ to 10¢, inclusive, the amount of the tax is 0¢.

2 B. If the amount of the sale price is 11¢ to 20¢,
inclusive, the amount of the tax is 1¢.

4 C. If the amount of the sale price is 21¢ to 40¢,
inclusive, the amount of the tax is 2¢.

6 D. If the amount of the sale price is 41¢ to 60¢,
inclusive, the amount of the tax is 3¢.

8 E. If the amount of the sale price is 61¢ to 80¢,
inclusive, the amount of the tax is 4¢.

10 F. If the amount of the sale price is 81¢ to \$1, inclusive,
the amount of the tax is 5¢.

12 3. Assessment; collection; enforcement. All provisions
relating to assessment, collection and enforcement of the sales
tax under this Part apply to this section.

14 4. Application; repeal. This section applies to sales
occurring on or after July 1, 1992. This section is repealed
June 30, 1993.

16 Further amend the amendment by relettering the Parts to read
18 consecutively.

20 **FISCAL NOTE**

22 This amendment will have no net effect on General Fund
24 appropriations or revenues and maintains a balanced budget for
26 fiscal year 1992-93.

28 **STATEMENT OF FACT**

30 This amendment imposes a one-year sales tax at the rate of
32 5% on most goods and services that are currently exempt under the
34 sales tax laws. The tax applies to sales occurring on or before
36 July 1, 1992 to June 30, 1993. The only remaining exemptions are
38 sales of grocery staples, sales of prescription medicines and
40 sales that the State can not tax under the Constitution of Maine,
42 the United States Constitution or federal law, including federal
44 food stamp purchases. The revenue generated is used to offset
the removal of Part WW, which required a reduced State employee
work week.