

MAINE STATE LEGISLATURE

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116th MAINE LEGISLATURE

FIRST REGULAR SESSION-1993

Legislative Document

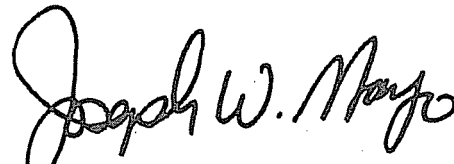
No. 531

H.P. 412

House of Representatives, February 17, 1993

An Act to Require Credit Unions to Pay Sales Tax and Income Tax.

Reference to the Committee on Taxation suggested and ordered printed.


JOSEPH W. MAYO, Clerk

Presented by Representative DORE of Auburn.

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

2 **Sec. 1. 36 MRSA §1760, sub-§71**, as enacted by PL 1989, c. 533,
4 §8, is repealed.

6 **Sec. 2. 36 MRSA §5206-B, sub-§4**, as repealed and replaced by
8 PL 1985, c. 783, §35, is amended to read:

10 **4. Taxable entity.** "Taxable entity" means any financial
12 institution, including any federally chartered financial
14 institution authorized to do business in this State, ~~except a~~
16 ~~credit union~~, and any service corporation or subsidiary as
18 defined in Title 9-B, section 131 and any financial institution
20 holding company as defined in Title 9-B, section 1011, except
 that control as defined in section 1011, ~~shall mean~~ means
 ownership of more than 50% of the voting stock owned directly or
 indirectly, ~~which that~~ that is organized under the laws of this State
 or authorized to do business in this State, ~~which that~~ that at any
 time during the taxable year realized Maine net income or had
 Maine assets.

22 **Sec. 3. Application.** Section 2 of this Act applies to tax
24 year 1993.

26 **Sec. 4. Effective date.** Section 1 of this Act takes effect
 October 1, 1993.

28 STATEMENT OF FACT

30 This bill eliminates the sales tax exemption for
32 state-chartered credit unions and makes all credit unions subject
 to the franchise tax on financial institutions.