

MAINE STATE LEGISLATURE

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
116TH LEGISLATURE
FIRST REGULAR SESSION

HOUSE AMENDMENT "A" to COMMITTEE AMENDMENT "A" to H.P. 954,
L.D. 1283, Bill, "An Act to Authorize an Optional Regional Sales
Tax"

Amend the amendment by striking out the substitute title and
replacing it with the following:

'An Act to Provide Property Tax Relief for Maine Citizens'

Further amend the amendment by striking out everything after
the title and before the statement of fact and inserting in its
place the following:

'Further amend the bill by striking out everything after the
enacting clause and before the statement of fact and inserting in
its place the following:

'Sec. 1. 36 MRSA §1811, first ¶, as amended by PL 1991, c. 591,
Pt. XX, §2 and affected by §7, is further amended to read:

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

Sec. 2. 36 MRSA §2015 is enacted to read:

§2015. Excise taxes on rental automobiles

1. Report on excise taxes. Annually, on or before
September 1st, a vehicle owner or rental company engaged in the

1 business of renting automobiles for a rental period of less than
2 one year shall file a report with the State Tax Assessor stating
3 the total amount of Maine motor vehicle excise taxes on
4 automobiles paid by the owner or company for automobiles rented
5 for a period of less than one year during the year ending the
6 previous June 30th. The report must also include the total
7 amount of tax paid to the State by the owner or company resulting
8 from the tax on the rental of automobiles for a period of less
9 than one year during the year ending June 30th. The State Tax
10 Assessor may extend the September 1st deadline for filing for up
11 to one year for good cause.

12
13 2. Reimbursement of excise taxes paid. The State Tax
14 Assessor shall determine the reimbursement to be paid to a
15 vehicle owner or rental company filing a return pursuant to
16 subsection 1. The reimbursement must be an amount that is the
17 smaller of:

18
19 A. The amount of Maine motor vehicle excise taxes paid by
20 the owner or company for automobiles rented for a period of
21 less than one year during the most recently completed
22 period, July 1st to June 30th, less 70% of the Maine motor
23 vehicle excise taxes paid by the owner or company for
24 automobiles rented for a period of less than one year during
25 the period July 1, 1992 to June 30, 1993; or

26
27 B. Two-fifteenths of the amount of tax paid to the State by
28 the owner or company resulting from the tax on the rental of
29 automobiles for a period of less than one year for the same
30 period of time as covered in paragraph A. For the purposes
31 of this paragraph, 2/15 must be rounded to .134.

32
33 3. Deadline for reimbursement. Upon the determination of
34 the reimbursement amount to be paid to a vehicle owner or rental
35 company, the State Tax Assessor shall inform the Treasurer of
36 State who shall make the reimbursement. Unless the reimbursement
37 is paid before November 1st of the year in which the report
38 required in subsection 1 is filed or within 90 days of the filing
39 of the report, whichever is later, interest at the rate provided
40 in section 186 must be paid for the period in excess of the time
41 limitation contained in this subsection this standard that
42 transpires before payment is made.

43
44 **Sec. 3. 36 MRSA §4365-D is enacted to read:**

45 **§4365-D. Rate of tax after October 1, 1993**

46
47 Notwithstanding section 4365-C, from October 1, 1993 to July
48 31, 1994, cigarettes that have been stamped at the rate of 18.5
49 mills for each cigarette that are held for resale by any person
50

1 after October 1, 1993, are subject to tax at the rate of 21.5
2 mills for each cigarette.

4 Any person holding cigarettes for resale is liable for the
5 difference between the 21.5 mills for each cigarette tax rate and
6 the 18.5 mills for each cigarette tax rate in effect before
7 October 1, 1993. Stamps evidencing payment of the tax imposed by
8 this section must be affixed to all packages of cigarettes held
9 as of October 1, 1993, for resale, except that cigarettes held in
10 vending machines as of October 1, 1993 need not be so stamped.

12 Notwithstanding any other provision of this chapter, it is
13 presumed that all cigarette vending machines are filled to
14 capacity on October 1, 1993 and the tax imposed by this section
15 must be reported on that basis. A credit against this inventory
16 tax is allowed for cigarettes stamped at the 21.5-mill rate
17 placed in vending machines before October 1, 1993.

18 Payment of the tax imposed by this section must be made to
19 the State Tax Assessor before November 15, 1993 and accompanied
20 by forms prescribed by the State Tax Assessor.

22 This section is repealed July 31, 1994.

24 **Sec. 4. 36 MRSA §6204**, as amended by PL 1989, c. 534, Pt. A,
25 §5, is further amended to read:

28 **§6204. Filing date**

30 No A claim may not be paid unless the claim is filed with
31 the Bureau of Taxation on or after August 1st and on or before
32 the following December 31st. For fiscal year 1993-94 only,
33 claims may only be made on or after October 1, 1993 and on or
34 before the following December 31st.

36 **Sec. 5. 36 MRSA §6207, sub-§1, ¶A-1**, as enacted by PL 1989, c.
37 878, Pt. B, §37, is amended to read:

38 A-1. Fifty percent of that portion of the benefit base that
39 exceeds 4.5% ~~but does not exceed 8.5%~~ of household income,
40 ~~plus 100% of that portion of the benefit base that exceeds~~
41 ~~8.5% of income~~ to a maximum payment of \$3,000 \$750.

44 **Sec. 6. 36 MRSA §6207, sub-§2**, as amended by PL 1991, c. 780,
45 Pt. Q, §3, and affected by §5, is further amended to read:

46 2. **Income eligibility.** Claimants with household incomes in
47 excess of \$50,000 \$40,000 are not eligible for a benefit.

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2 **Sec. 7. Report.** The State Tax Assessor shall analyze the
effectiveness of the reimbursement program established in the
4 Maine Revised Statutes, Title 36, section 2015 and issue a
report, together with any necessary implementing legislation, to
6 the joint standing committee of the Legislature having
jurisdiction over taxation matters during the Second Regular
8 Session of the 117th Legislature by December 1, 1995. In
addition to the information reported to the State Tax Assessor by
10 owners or companies engaged in the business of renting
automobiles for a rental period of less than one year pursuant to
12 Title 36, section 2015, subsection 1, the report must include the
number of automobiles brought into the State above those required
14 to be registered in this State as a result of the International
Registration Plan and any other information determined necessary
by the State Tax Assessor.

16 **Sec. 8. Appropriation.** The following funds are appropriated
18 from the General Fund to carry out the purposes of this Act.

	1993-94	1994-95
ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF		
Bureau of Taxation		
Positions - Legislative Count	(25.0)	(25.0)
Personal Services	\$635,132	\$889,183
All Other	220,132	237,827
Capital Expenditures	157,905	
TOTAL	\$1,013,169	\$1,127,010
Provides funds for 3 Principal Revenue Agent positions, 2 Senior Revenue Agent positions, 7 Revenue Agent positions, 4 Tax Enforcement Officer positions, 2 Tax Examiner positions, one District Audit Manager position, 4 Clerk Typist III positions, one Clerk Typist II position, one Clerk II position and associated costs. These positions are estimated to generate an additional net revenue of \$150,000 each in		

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HOUSE AMENDMENT "A" to COMMITTEE AMENDMENT "A" to H.P. 954, L.D. 1283

2 fiscal year 1993-94 and
3 \$250,000 each in fiscal year
4 1994-95. These positions are
5 eliminated June 30, 1995.

6 **Maine Residents Property
7 Tax Program**

8 All Other 7,161,039 7,519,611

10 Provides funds for a higher
11 level of participation in the
12 Maine Residents Property Tax
13 Program.

14 **16 Tree Growth Reimbursement**

17 All Other 1,000,000

18 Provides funds for the 90%
19 reimbursement level required
20 by statute.

21 **24 DEPARTMENT OF ADMINISTRATIVE
25 AND FINANCIAL SERVICES
26 TOTAL**

\$8,174,208 \$9,646,621

27 **28 SECTION 8
29 TOTAL APPROPRIATIONS**

\$8,174,208 \$9,646,621

30 **32 Sec. 9. Application.** That section of this Act that amends the
31 Maine Revised Statutes, Title 36, section 5126 applies to tax
32 years beginning on or after January 1, 1993.

33 **34 Sec. 10. PL 1993, c. 410, Pt. C, §§6 and 7** are repealed.

35 **36 Sec. 11. Effective date.** This Act takes effect October 1, 1993,
37 except that section of this Act that enacts the Maine Revised
38 Statutes, Title 36, section 2015 takes effect July 1, 1994.

39 **FISCAL NOTE**

40 **42 1993-94 1994-95**

41 **43 APPROPRIATIONS/ALLOCATIONS**

44 General Fund \$8,174,208 \$9,646,621

HOUSE AMENDMENT

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HOUSE AMENDMENT "A" to COMMITTEE AMENDMENT "A" to H.P. 954, L.D. 1283

2 REVENUES

4	General Fund	\$8,176,205	\$9,754,432
	Other Funds	219,309	440,496

6

8 The Bureau of Taxation will require additional General Fund appropriations of \$8,174,208 and \$9,646,621 in fiscal years 1993-94 and 1994-95, respectively, for additional revenue agents, additional funds for an amended circuit breaker program and additional funds for tree growth reimbursement to administer these programs.

14 The various tax changes in the bill will increase General Fund revenues by \$8,176,205 in fiscal year 1993-94 and \$9,754,432 in fiscal year 1994-95. The corresponding increases in State Municipal Revenue Sharing will be \$219,309 and \$440,496, respectively.

20 This bill will have a positive net fiscal impact to the General Fund of \$1,997 in fiscal year 1993-94 and \$107,811 in fiscal year 1994-95.

24 STATEMENT OF FACT

26 This amendment replaces the committee amendment.

28 This amendment makes the following changes from the committee amendment.

30

32 1. It raises the cigarette tax to 6¢ rather than 5¢ for a period of 7 months rather than 6 months.

34

36 2. It removes a provision that would phase out personal exemptions for upper-income tax payers.

38

40 3. It funds the tree growth reimbursement program at the full 90% level for fiscal year 1994-95 only.

Filed by Rep. Hoglund of Portland
 Reproduced and distributed under the direction of the Clerk of the House
 6/30/93 (Filing No. H-704)