

MAINE STATE LEGISLATURE

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L.D. 1283

(Filing No. H-697)

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

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

Amend the bill by striking out the title and substituting the following:

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

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 business of renting automobiles for a rental period of less than one year shall file a report with the State Tax Assessor stating

COMMITTEE AMENDMENT

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

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

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

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

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

38 Sec. 3. 36 MRSA §4365-D is enacted to read:

39 §4365-D. Rate of tax after October 1, 1993

40 Notwithstanding section 4365-C, from October 1, 1993 to June
41 30, 1994, cigarettes that have been stamped at the rate of 18.5
42 mills for each cigarette that are held for resale by any person
43 after October 1, 1993, are subject to tax at the rate of 21 mills
44 for each cigarette.

2 Any person holding cigarettes for resale is liable for the
3 difference between the 21 mills for each cigarette tax rate and
4 the 18.5 mills for each cigarette tax rate in effect before
5 October 1, 1993. Stamps evidencing payment of the tax imposed by
6 this section must be affixed to all packages of cigarettes held
7 as of October 1, 1993, for resale, except that cigarettes held in
8 vending machines as of October 1, 1993 need not be so stamped.

10 Notwithstanding any other provision of this chapter, it is
11 presumed that all cigarette vending machines are filled to
12 capacity on October 1, 1993 and the tax imposed by this section
13 must be reported on that basis. A credit against this inventory
14 tax is allowed for cigarettes stamped at the 21-mill rate placed
15 in vending machines before October 1, 1993.

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

19 This section is repealed June 30, 1994.

20 **Sec. 4. 36 MRSA §5126**, as repealed and replaced by PL 1989,
21 c. 878, Pt. D, §12, is amended by adding after the first
22 paragraph a new paragraph to read:

23 The exemption provided in this section for resident
24 individuals must be reduced in the same proportion as the
25 reduction in the federal exemption pursuant to Internal Revenue
26 Code, Section 151(d) if Maine adjusted gross income is
27 substituted for federal adjusted gross income.

28 **Sec. 5. 36 MRSA §6204**, as amended by PL 1989, c. 534, Pt. A,
29 §5, is further amended to read:

30 **§6204. Filing date**

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

36 **Sec. 6. 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.

2 **Sec. 7. 36 MRSA §6207, sub-§2**, as amended by PL 1991, c. 780,
 Pt.Q, §3, and affected by §5, is further amended to read:

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

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

24 **Sec. 9. Appropriation.** The following funds are appropriated
 26 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		
34	Positions - Legislative Count (25.0)	(25.0)
	Personal Services \$635,132	\$889,183
36	All Other 220,132	237,827
	Capital Expenditures 157,905	
38	TOTAL	\$1,013,169
40		\$1,127,010
42	Provides funds for 3	
	Principal Revenue Agent	
44	positions, 2 Senior Revenue	
	Agent positions, 7 Revenue	
46	Agent positions, 4 Tax	
	Enforcement Officer	
48	positions, 2 Tax Examiner	
	positions, one District Audit	
	Manager position, 4 Clerk	

2 Typist III positions, one
 Clerk Typist II position, one
 4 Clerk II position and
 associated costs. These
 6 positions are estimated to
 generate an additional net
 8 revenue of \$150,000 each in
 fiscal year 1993-94 and
 10 \$250,000 each in fiscal year
 1994-95.

12 **Maine Residents Property
 Tax Program**

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

16 Provides funds for a higher
 18 level of participation in the
 Maine Residents Property Tax
 20 Program.

22 **Tree Growth Reimbursement**

24 All Other 975,000 1,000,000

26 Provides funds for the 90%
 28 reimbursement level required
 by statute.

30 **DEPARTMENT OF ADMINISTRATIVE
 AND FINANCIAL SERVICES**

32 **TOTAL** \$9,149,208 \$9,646,621

34 **SECTION 9**

36 **TOTAL APPROPRIATIONS** \$9,149,208 \$9,646,621

38 **Sec. 10. Application.** That section of this Act that amends
 40 the Maine Revised Statutes, Title 36, section 5126 applies to tax
 years beginning on or after January 1, 1993.

42 **Sec. 11. Repeal.** Any law enacted by the First Regular Session
 44 of the 116th Legislature that amends the benefit calculation for
 claimants representing nonelderly households under the Maine
 46 Revised Statutes, Title 36, section 6207, subsection 1, paragraph
 A-1 or amends the income eligibility for claimants representing
 48 nonelderly households under Title 36, section 6207, subsection 2
 is repealed on the effective date of this Act.

