

MAINE STATE LEGISLATURE

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116th MAINE LEGISLATURE

FIRST REGULAR SESSION-1993

Legislative Document

No. 1565

H.P. 1172

House of Representatives, July 1, 1993

An Act to Provide Property Tax Relief for Maine Citizens.

(AFTER DEADLINE)

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 27.
Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "Joseph W. Mayo".

JOSEPH W. MAYO, Clerk

Presented by Representative HOGLUND of Portland.

Cosponsored by Representatives: AHEARNE of Madawaska, ALIBERTI of Lewiston, BRENNAN of Portland, CASHMAN of Old Town, CATHCART of Orono, CHONKO of Topsham, CLARK of Millinocket, CLEMENT of Clinton, CLOUTIER of South Portland, CROSS of Dover-Foxcroft, DEXTER of Kingfield, FARNSWORTH of Hallowell, FITZPATRICK of Durham, GAMACHE of Lewiston, GEAN of Alfred, HICHBORN of Howland, JOHNSON of South Portland, KILKELLY of Wiscasset, KONTOS of Windham, LARRIVEE of Gorham, LORD of Waterboro, MARSH of West Gardiner, MARTIN of Eagle Lake, MITCHELL of Vassalboro, MITCHELL of Freeport, MORRISON of Bangor, MURPHY of Berwick, PINEAU of Jay, POULIOT of Lewiston, RAND of Portland, RICHARDSON of Portland, RICKER of Lewiston, ROWE of Portland, SAXL of Bangor, SULLIVAN of Bangor, TARDY of Palmyra, TOWNSEND of Portland, TRUE of Fryeburg, WALKER of Blue Hill.

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

2
4 **Sec. 1. 36 MRSA §1811, first ¶**, as affected by PL 1993, c. 410, Pt. LLL, §4 is amended to read:

6 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 6% on the value of all other tangible personal property and taxable services.

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

20 **§2015. Excise taxes on rental automobiles**

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

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

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

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

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

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

20 §4365-D. Rate of tax after October 1, 1993

22 Cigarettes that have been stamped at the rate of 18.5 mills
24 for each cigarette and are held for resale by any person after
 October 1, 1993 are subject to tax at the rate of 19.5 mills for
 each cigarette.

26 Any person holding cigarettes for resale is liable for the
28 difference between the 19.5 mills for each cigarette tax rate and
30 the 18.5 mills for each cigarette tax rate in effect before
32 October 1, 1993. Stamps evidencing payment of the tax imposed by
 this section must be affixed to all packages of cigarettes held
 as of October 1, 1993 for resale, except that cigarettes held in
 vending machines as of October 1, 1993 need not be so stamped.

34 Notwithstanding any other provision of this chapter, it is
36 presumed that all cigarette vending machines are filled to
38 capacity on October 1, 1993 and the tax imposed by this section
40 must be reported on that basis. A credit against this inventory
 tax is allowed for cigarettes stamped at the 19.5 mill rate
 placed in vending machines before October 1, 1993.

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

46 **Sec. 4. 36 MRSA §6204**, as amended by PL 1989, c. 534, Pt. A,
48 §5, is further amended to read:

50 §6204. Filing date

2 No A claim may not be paid unless the claim is filed with
the Bureau of Taxation on or after August 1st and on or before
4 the following December 31st. For fiscal year 1993-94 only,
6 claims may be made only on or after October 1, 1993 and on or
before the following December 31st and any claim processed for
which there are insufficient funds must be processed and paid on
or after July 1, 1994 and on or before July 15, 1994.

8
10 **Sec. 5. 36 MRSA §6207, sub-§1, ¶A-1**, as amended by PL 1993, c.
410, Pt. C, §6, is further amended to read:

12 A-1. Seventy Fifty percent of that portion of the benefit
14 base that exceeds 7.0% 4.5% of household income, to a
maximum payment of \$500 \$750.

16 **Sec. 6. 36 MRSA §6207, sub-§2**, as amended by PL 1993, c. 410,
Pt.C, §7, is further amended to read:

18
20 **2. Income eligibility.** Claimants with household incomes in
excess of \$25,000 \$40,000 are not eligible for a benefit.

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

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

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	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

2	All Other	220,132	237,827
	Capital Expenditures	157,905	
4	TOTAL	<u>1,013,169</u>	<u>1,127,010</u>
6	Provides funds for 3		
8	Principal Revenue Agent		
10	positions, 2 Senior Revenue		
12	Agent positions, 7 Revenue		
14	Agent positions, 4 Tax		
16	Enforcement Officer		
18	positions, 2 Tax Examiner		
20	positions, one District Audit		
22	Manager position, 4 Clerk		
24	Typist III positions, one		
26	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		
	fiscal year 1993-94 and		
	\$250,000 each in fiscal year		
	1994-95. These positions are		
	eliminated June 30, 1995.		
28	Maine Residents Property Tax Program		
30	All Other	5,357,313	9,323,337
32	Provides funds for a higher		
34	level of participation in the		
36	Maine Residents Property Tax		
	Program.		
38	Tree Growth Reimbursement		
40	All Other		1,000,000
42	Provides funds for the 90%		
44	reimbursement level required		
	by statute.		
46	DEPARTMENT OF ADMINISTRATIVE AND FINANCIAL SERVICES		
48	TOTAL	<u>\$6,370,482</u>	<u>\$11,450,347</u>

